

OHIO

Elizabeth A. Krizer, Bremen.
 Fred M. Hopkins, Fostoria.
 Olive G. Randall, Hubbard.
 Ray Phillips, Leavittsburg.
 Harry E. Griffith, Mount Gilead.
 La Bert Davie, New Lexington.
 Charles R. Finnical, Newton Falls.
 Alfred Jenny, Orrville.
 Austin H. Bash, Strasburg.
 Ben J. Filkins, Wakeman.

OREGON

Elmer F. Merritt, Merrill.
 Thomas G. Hawley, Multnomah.

SOUTH CAROLINA

Trower Cravens, Beaufort.
 Carrie R. Goodman, Clemson College.
 Frank W. Welborn, Fountain Inn.

SOUTH DAKOTA

John V. Drips, Belvidere.
 Frank B. Sherwood, Cottonwood.
 Clyde J. Howell, Edgemont.
 Elmer R. Hill, Newell.
 Robert G. Andis, Prescho.
 Fred J. Seals, Spearfish.
 Guy M. King, Wessington.
 Volney T. Warner, Woonsocket.

TEXAS

William J. Ott, Cuero.
 Joe P. Luce, Graford.
 Lillie M. Ragsdale, Richardson.
 Raymond G. Hirth, San Juan.
 William M. Willis, Timpson.
 Minerva M. F. Cowart, Turkey.

UTAH

Arthur L. Hartvigsen, Santaquin.
 Charles Boyer, Springville.
 James A. Lyman, jr., Wendover.

VERMONT

Charles A. Robinson, Milton.
 Lewis H. Higgins, Newfane.
 Dwight L. M. Phelps, Richmond.
 Sheridan P. Dow, Sheldon Springs.

VIRGINIA

Connally T. Rush, Abingdon.
 George E. Joyce, Bassetts.
 Roscoe C. Travis, Bowling Green.
 Henry G. Norman, Cedar Bluff.
 Lucius M. Manry, Courtland.
 Waverly S. Barrett, Dendron.
 Hattie C. Barrow, Dinwiddie.
 Alvis T. Davidson, Faber.
 Ludema Sayre, Fairfax.
 Thomas T. Weddle, Floyd.
 Daniel E. Davis, Forest.
 William T. Oakes, Gladys.
 Henry A. Storm, McLean.
 Dorsey T. Davis, Nathalie.
 A. Ewing McMichael, Nokesville.
 Lindsay T. McGuire, North Tazewell.
 Louis S. Haden, Palmyra.
 Frank M. Brown, Veterans' Administration Home.
 John L. Jeffries, Vienna.
 Richard D. Holland, Windsor.
 Benjamin A. Dratt, Woodford.

WEST VIRGINIA

Blanche L. Kemper, Hastings.
 Epton Cook, Macdonald.
 Benjamin Gorrell, Williamstown.

WISCONSIN

Fred J. Scheinpflug, Boscobel.
 Eva Jensen, Cambridge.

John S. Farrell, Green Bay.
 Edward C. Quilling, Menomonie.
 Frank I. Conner, Sun Prairie.

WYOMING

William G. Haas, Cheyenne.

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 12, 1932

The House met at 12 o'clock noon.

The Rev. S. B. Dougherty, pastor of the Memorial United Brethren Church, Washington, D. C., offered the following prayer:

O God, our Father, we thank Thee that Thou art the God of mercies and exigencies. We thank Thee that Thou doth send us out in the time of turmoil to proclaim and not to complain, and we pray that Thou wilt be with us in this session to-day; that in these days that test the caliber of our faith Thou wilt put the holy music into our lives like that which came from the organ under the touch of the great Mendelssohn; that Thou wilt give confidence in these days so that we shall go forth under the inspiration of that mighty lure and power so that service and joy shall drop from our hearts like the golden column from the stems of shaken lilies; and we pray, O God, that Thou shalt give us mastery over the fear that besets us, so that we shall rise above all of the challenging tasks and the defeats of life to gain a new victory. Bless this august body in its deliberations this day. Give clarity to their thinking and conviction to their action, so that we together shall be brought under the mastery of Almighty God, our Master, to go forth and bring the hand of the Great Physician to the fevered pulse of the world. And in His name we ask it. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 132. An act to authorize the Secretary of War to erect one marker for the graves of 15 Confederate soldiers killed in action and buried in the La Fayette Cemetery at La Fayette, Ga., in lieu of separate markers as now authorized by law;

H. R. 483. An act to amend the act of March 2, 1897, authorizing the construction and maintenance of a bridge across the St. Lawrence River;

H. R. 2285. An act for the relief of Dock Leach;

H. R. 3559. An act for the relief of Elizabeth Moncravie;

H. R. 4390. An act for the relief of Melissa Isabel Fairchild;

H. R. 4515. An act extending the limit of time within which Parramore Post, No. 57, American Legion, may construct its memorial building, and correcting street location;

H. R. 8379. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Arrow Rock, Mo.;

H. R. 8394. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near St. Charles, Mo.;

H. R. 8396. An act to extend the times for commencing and completing the construction of a bridge across the Rock River at or near Prophetstown, Ill.;

H. R. 8506. An act to extend the times for commencing and completing the construction of a bridge across the Mahoning River at New Castle, Lawrence County, Pa.;

H. R. 8696. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River near Alexandria Bay, N. Y.;

H. R. 9264. An act to extend the times for commencing and completing the construction of a free highway bridge across the St. Francis River at or near Madison, Ark., on State Highway No. 70;

H. R. 9266. An act to extend the times for commencing and completing the construction of a bridge across the St. Francis River at or near Lake City, Ark.;

H. R. 9451. An act to provide a preliminary examination of the Flint River, Ala. and Tenn., with a view to the control of its floods;

H. R. 9452. An act to provide a preliminary examination of Flint Creek and its branches in Morgan County, Ala., with a view to the control of its floods;

H. R. 9453. An act to provide a preliminary examination of Cataco Creek and its branches in Morgan County, Ala., with a view to the control of its floods;

H. R. 10365. An act granting the consent of Congress to the counties of Fayette and Washington, Pa., either jointly or severally, to construct, maintain, and operate a toll bridge across the Monongahela River at or near Fayette City, Pa.; and

H. R. 10775. An act to extend the times for commencing and completing the construction of a bridge across the Hudson River at or near Catskill, Greene County, N. Y.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 6477. An act to further extend naturalization privileges to alien veterans of the World War residing in the United States; and

H. R. 9575. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 209. An act granting an increase of pension to Mary Willoughby Osterhaus;

S. 215. An act authorizing adjustment of the claim of Schutte & Koerting Co.;

S. 220. An act authorizing adjustment of the claim of the Van Camp Sea Food Co. (Inc.);

S. 222. An act authorizing adjustment of the claim of B. F. Hart;

S. 439. An act for the relief of A. C. Messler Co.;

S. 824. An act conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands, nations, or tribes of Indians residing in the State of Oregon;

S. 826. An act conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon;

S. 848. An act for the relief of Albert A. Marquardt;

S. 902. An act for the relief of Willie B. Cleverly;

S. 941. An act relating to the review of cases tried in the district courts of the United States without a jury;

S. 1009. An act for the relief of George Edwin Godwin;

S. 1044. An act authorizing the issuance to Cassie E. Howard of a patent for certain lands;

S. 1153. An act to provide for the incorporation of credit unions within the District of Columbia;

S. 1421. An act for the relief of Little Rock College, Little Rock, Ark.;

S. 1469. An act to authorize certain officers of the United States Navy and Marine Corps to accept such decorations, orders, and medals as have been tendered them by foreign governments in appreciation of services rendered;

S. 1624. An act providing for the issuance of patents upon certain conditions to lands and accretions thereto determined to be within the State of New Mexico in accordance with the decree of the Supreme Court of the United States entered April 9, 1928;

S. 1752. An act to authorize an appropriation for the purchase of land in South Dakota for use as camp sites or rifle ranges for the National Guard of said State;

S. 1858. An act for the relief of Harriette Olsen;

S. 2060. An act for the relief of Otto Schluter;

S. 2236. An act to reimburse the William L. Gilbert Clock Co. for revenue erroneously paid;

S. 2246. An act for the relief of Lawrence Dowling;

S. 2259. An act for the relief of Mathie Belsvig;

S. 2395. An act authorizing the conveyance of certain land to school district No. 15, Lincoln County, Mont.;

S. 2671. An act providing for the final enrollment of the Indians of the Klamath Indian Reservation, in the State of Oregon;

S. 2983. An act for the relief of homesteaders on the Diminished Colville Indian Reservation, Wash.;

S. 2986. An act to amend the act of March 13, 1924 (43 Stat. L. 21), so as to permit the Flathead, Kootenai, and Upper Pend d'Oreille Tribes or Nations of Indians to file suit thereunder;

S. 3014. An act to provide for the commemoration of the landing of Ponce de Leon in the State of Florida;

S. 3344. An act for the relief of Maggie Kirkland;

S. 3440. An act for the relief of Nick Wagner;

S. 3504. An act for the relief of Lyman L. Miller;

S. 3592. An act confirming the claim of Francis R. Sanchez, and for other purposes;

S. 3639. An act for the inclusion of certain lands in the Coeur d'Alene and St. Joe National Forests, State of Idaho, and for other purposes;

S. 3765. An act to authorize the Secretary of War to lend War Department equipment for use at the Fourteenth National Convention of the American Legion at Portland, Oreg., during the month of September, 1932;

S. 3784. An act to add certain lands to the Idaho National Forest, Idaho;

S. 3886. An act to authorize the purchase of tobacco from funds heretofore or hereafter appropriated for the Veterans' Administration;

S. 4008. An act to amend article 5 of the act of Congress approved June 7, 1897, relating to the approval of regulations for preventing collisions upon certain harbors, rivers, and inland waters of the United States;

S. 4166. An act for the relief of James M. Griffin, disbursing agent, United States Coast and Geodetic Survey, and for other purposes;

S. 4195. An act to authorize the city of Fernandina, Fla., under certain conditions, to dispose of a portion of the Amelia Island Lighthouse Reservation; and

S. 4252. An act to authorize telephone service in Government-controlled buildings on Public Health Service stations.

PROHIBITION—A NATIONAL IDEAL

Mr. SIMMONS. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record.

The SPEAKER. Is there objection?

There was no objection.

Mr. SIMMONS. Mr. Speaker, pursuant to the permission just given me by the House, I present for printing in the Record a statement that I made over station WJSV on Thursday last.

STATEMENT OF HON. ROBERT G. SIMMONS, OF NEBRASKA, REGARDING PROHIBITION, APRIL 7, 1932

Ours is an ordered freedom. Our self-centered wishes can not interfere with the interests of others. Civilization and progress bring new duties and responsibilities. The freedom of the individual must constantly give way to the general good as our civilization becomes more complex.

Civilized man never has had complete liberty. Man may think what he pleases—beyond that his every act is circumscribed. Man can not speak or write his thoughts if by so doing he transgresses the rights of others. We can not park a car or cross a street as we choose. We earn money and acquire property, yet the law tells us how we shall dispose of that which we have. I may own my home—yet it is a crime to set it on fire.

The Constitution of the United States does not guarantee personal liberty to the individual. It guarantees not the personal liberty of the individual, but the "general welfare" of the people. Governments always have had and always will have the right and

power to control or suppress any traffic which harms a people or hinders progress.

Intoxicating liquor has been used by men in some form since the beginning of recorded history, but parallel with the record of its use is the record of its destructive effects and the record of the fight of civilized man to overcome and check its ravages.

The battle to control the use of liquor in America began with the Colonies. Given the right of self-government in limited form, the early settlers in America turned first to efforts to control and regulate the liquor traffic and its use.

The Revolutionary War came and with it freedom from England and the rights of the Colonies to govern themselves. Three great movements in America already under way began concurrently in the United States to take on national importance. The colonists were agricultural, depending on Europe for industrial products. The question was, Should America have industrial freedom as well as political freedom? Early in our national life we adopted the policy of encouraging American industry behind a tariff wall.

The destinies of the new Nation were in the hands of all the people. Education was limited, illiteracy general. The question was, Should America's destinies be decided by a people illiterate or a people educated? The answer was clear and the development of the public-school system followed.

The next question was, Should America be governed by a people drunk or a people sober?

The third great contest in America was that between the Government and the liquor traffic. The movement was first one to limit the use and then control the traffic, developing into an effort to regulate and finally a determination to prohibit the use of intoxicants.

The three movements developed in America, each contributed to the other; the full success of each one depended on the success of the other. They are distinctly interdependent now.

This statement has to do with the development of the contest with intoxicants, the present situation, and our future position.

The first movements were movements to regulate and control the use of intoxicants. Liquor drinking was almost universal—the manufacture and sale was generally an independent, small business proposition. Gradually the liquor industry developed and the battle lines became more distinct.

In 1794 the Government, under Washington, levied a small tax of some 7 cents per gallon on whisky. Western Pennsylvania was then the frontier of America. The situation then was similar to the situation now, agriculturally. Corn grew abundantly, the price was low, the markets far removed, transportation by ox team or river barge slow and costly. Corn from western Pennsylvania could be marketed at a greater profit as whisky than as corn. The distillers of what is now Pittsburgh organized and refused to pay the tax and defied the Government, and what is known as the whisky rebellion was the first big conflict between the organized four States to enforce the law. It cost the infant Republic well over \$1,000,000 to establish the supremacy of Government over the liquor traffic. Lives were lost, but the Government won. The whisky rebellion was the first big conflict between the organized liquor industry and the Government. From that day to this the liquor industry has been in rebellion, fighting every effort to tax, regulate, control, or prohibit their business.

The liquor industry never willingly gave ground. They first resisted the right to tax their product, they resisted laws prohibiting sales to certain classes, they resisted the Sunday and early closing laws, they resisted laws limiting the number of saloons.

As laws developed the liquor interests entered the political arena, influenced and controlled elections, officeholders, and the administration of the law. Graft and corruption was the result. Illicit sales, evasion of laws, the bootlegger, all appeared early in the contest.

The contest was always between the greed of those who sold or wanted to sell the liquor on the one hand and society trying to defend itself and its members against the ravages of intoxicants on the other. Plan after plan was proposed to control the traffic and was fought by the liquor interests.

Finally prohibition and not control became the ideal. The prohibition movement began with the right of local communities to prohibit the sale in their midst. Local option failed because it was both too local and too optional. County option was tried and failed and for the same reason State prohibition failed. There was no effective way to prevent the shipment of liquor from wet territory into dry territory. The bootlegger, encouraged by the liquor manufacturer, defied every law to prohibit and prevent the expansion of his business.

The liquor interests throughout all this development consolidated their forces and continued to fight the onward movement. Graft and corruption continued; the bootlegging of liquor into dry territory continued. The Federal Government, by the Webb-Kenyon law, attempted to prevent the interstate shipment of liquor. The opposition to law enforcement continued. Government dispensaries by States were tried out and failed.

Finally, but one of two alternatives was left. The Federal Government had to police the borders of the dry States to prevent shipment from the wet States or prohibit the traffic everywhere. National prohibition came by the deliberate act of 46 of the 48 States of the Union. In the 46 States ratifying the eighteenth amendment live 98 per cent of the people of the United States, and those 46 States comprise 99 3/4 per cent of the area of the country. National prohibition came only after every other method to combat the liquor traffic had been tried out and failed. It came because there was no other alternative. It came not as the result of a desire of one part of the country to impose its will on

another but rather as the result of a need for the greater part of the United States to defend itself from those who would not permit the Nation to be part wet and part dry. National prohibition came because it was the ultimate ideal and end of the whole controversy.

National prohibition came as the inevitable result of the growth of a great ideal and standard in America—the ideal and standard of a people and a nation free from the influence and blight of the liquor traffic.

The ideal was not an accomplished fact when prohibition was adopted; it is not an accomplished fact now; it may never be completely achieved, but it is the ultimate end and purpose of the American people.

The fact that laws have penalty provisions clearly shows that it was predetermined that they would be violated. Prohibition laws are no exception. But because a law is violated should it be repealed? To answer that question "yes" as to all laws means anarchy.

The wealth diverted from the purchase of liquor to the purchase of health and happiness in America reached into the billions annually. Two groups began to fight to again have those funds paid for intoxicants. The liquor interests had lost a business of about \$6,000,000,000 a year in gross sales. That business they wanted back.

Certain interests sought a way to relieve big business from taxation by again having liquor taxes paid into the Public Treasury. These two groups, big business and liquor, systematically started out to break down the determination of the American people to make prohibition a success.

Those opposed to prohibition have called upon the millionaires to help them, holding out the hope that liquor taxes would relieve them of burdensome corporation and income taxes. Here is an openly admitted plan to shift the cost of government from the pockets of the rich to the backs of the poor.

It is a campaign to break down prohibition organized not to get a drink of liquor to a man who wants it—but to get the money from the man who buys it. Getting the money from the drinker and not the liquor to him is the primary aim. It is a campaign of greed, aimed to deliver to the liquor interests the money now being spent for luxuries and necessities of life.

In order to accomplish this purpose a great campaign of misrepresentation has been carried on. The benefits of prohibition have been minimized, its evils magnified. Ignoring the known fact that these evils have always been with us—graft, corruption, crime—all are charged to prohibition. Even the great name of Lindbergh has been hauled through the wet mire by those who would accuse prohibition of all crimes and misdemeanors.

During all of this debate no wet has contended that the use of liquor has ever added to the happiness of a home or the comfort of a family. It has always been a force that tears down, debases, and destroys. The wets have been tearing down the sentiment of the American people which called for good-faith enforcement of the law. They talk of crime and corruption, of evils in government. But they offer nothing in the place of prohibition that has not already been tried out and found wanting. They have united on no program of control—they criticize but do not build.

What assurance can they give the American people that crime, graft, and corruption will not follow any new plan that is offered? The liquor interests never have obeyed a law that interfered with their business. What assurance can be given that they will obey a law now? What assurance can be given that the old evils of the saloon with all its attendant procession of crimes will not return if legal selling of intoxicants is again permitted? Women and children suffered most from the ravages of the saloon. What assurance can they give that that suffering will not again accompany the legalized sale of liquor? What assurance can they give that the bootlegger, the blind tiger, and the speak-easy will disappear? What assurance can they give the mothers and fathers of America that their children will not be tempted by liquor? Where will they get the customers for their business if not from America's boys and girls?

President Hoover, four years ago, stated, "I do not favor the repeal of the eighteenth amendment, I stand for the efficient enforcement of the laws enacted thereunder."

There was a clear-cut statement, a declaration both of principle and purpose. The Nation approved it. He further stated, "Our country has deliberately undertaken a great social and economic experiment, noble in motive and far-reaching in purpose. It must be worked out constructively."

Those opposed to the dry views of the President attempted to nullify the effect of his declaration against repeal of the eighteenth amendment by starting an argument over the phrase describing prohibition as a "social and economic experiment." The wets tried to make it appear that in the mind of the President, prohibition was a transitory thing, as easily disposed of as the chemist's experiment in a test tube.

President Hoover repeated the statement that prohibition was a "great social and economic experiment," in his address of acceptance of the nomination for President. In that same acceptance speech he said, "I especially value the contribution that the youth of the country can make to the success of our American experiment in democracy."

In January, 1929, President Hoover wrote to Dr. W. O. Thompson, of Ohio State University, and in reference to our Government said, "Our great American experiment has demonstrated that the people will, of their own initiative, take care of progress * * *."

The wets talk of repeal of the eighteenth amendment. They know there will be no repeal within the lifetime of the generations

now living. Repeal is a false hope, and everyone knows it. This agitation, if successful, will result not in repeal but in law disobedience, in nullification, and the breaking down of our constitutional form of government.

If by personal liberty it is intended that man shall have the right to drink what he pleases, when and where he pleases; if the Federal Government has not the right to take that liberty from an individual—then the State government has no right to deny that individual the liberty he claims. But where is the man who will claim that the liquor business shall be subject to neither State nor Federal control? The wets do not claim that—at least not yet!

There is need now that the people think this issue through. The ultimate issue will be: Repeal the eighteenth amendment and return to the saloon, or maintain the eighteenth amendment and have prohibition.

Two years ago the cry was for light wines and beer, no hard liquor, and no saloons. Now the cry is, "Repeal the eighteenth amendment, restore the power to the State, but do not go back to the old-fashioned saloon."

Old-fashioned or new-fashioned—restore the legalized sale of liquor and you will restore the legalized evils of the saloon. The saloon by another name will be there with its evils of debauchery, vice, poverty, and crime.

Our civilization is the result of man's constant fight against those things which tear down and destroy. This is a struggle for good order, good morals, for home, and human happiness. The issue is not new. There is need for united action in the maintenance of a great ideal. Every law which runs counter to tradition and habit, every law the violation of which offers a profit, every law which attempts to control either appetite or passion, will be opposed so long as man is human, will not be completely enforced. But the need to fight for the orderly processes of government will always be present. Our national ideals must be maintained!

REFERENCE OF A BILL

Mr. HALL of Mississippi. Mr. Speaker, I request unanimous consent of the House to have the bill (H. R. 10351), which has been referred to the Committee on Irrigation and Reclamation, transferred to the Committee on Indian Affairs. It appears that the Committee on Irrigation and Reclamation is without jurisdiction of the subject matter. I desire to say this procedure is entirely agreeable to the chairman of the Indian Affairs Committee, and also to the ranking minority member thereof, as well as to the chairman and ranking minority member of the Committee on Irrigation and Reclamation.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

ECONOMY IN GOVERNMENT

Mr. HALL of Mississippi. Now, Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of economy in Government.

The SPEAKER. Is there objection?

There was no objection.

Mr. HALL of Mississippi. Mr. Speaker, in these parlous times economy in government, Federal, State, county, and municipal, has become a paramount issue. It is not only engaging the attention of the Congress and of the administration but of people throughout the Nation. It is not only being discussed in the halls of Congress and at Cabinet meetings but in city clubs and crossroad country stores. In fact, it is a chief topic of conversation almost everywhere.

Clutched in the viselike grip of one of the most poignant economic depressions in the history of the country, the folks back home are seriously questioning the need for an annual Federal Budget exceeding \$4,000,000,000. They are wondering why there is a Treasury deficit approximating \$2,000,000,000 and why it is necessary for us to boost taxes more than \$1,000,000,000. They are becoming tax conscious and demanding greater economy in operating the Federal Government.

It is the general view that the cost of Federal Government is much too high, and that retrenchment is imperative. In this I concur. Moreover, I concede that Congress is largely responsible for the present status quo. It is a fundamental rule of business that receipts must exceed expenditures if an enterprise is to continue in existence for any length of time. Nor can it be gainsaid that incoming revenue must exceed outgoing appropriations in government. The Federal Government is not living within its income. We are appropriating more money than our tax collectors are fetching in.

However, much of our extravagance is the result of trying to keep up with the Joneses. During the golden era of superprosperity, which terminated with a deafening crash in September, 1929, everybody was indulging in a mad orgy of spending. It was inevitable that Congress should catch the fever and go off on a money-appropriating rampage that vied with war-time expenditures.

Our sagacious financiers and captains of industry thought they had found the pot of gold at the rainbow's end. They thought they had discovered a new economic system which forever had spiked even the semblance of panic or depression. Our President guaranteed us lavish prosperity, not only for four years, but for all time. A golden stream flowed constantly from the stock market in Wall Street. Bell hops and street cleaners became millionaires overnight. We were sitting on top of the world. Nobody thought about economy in government then. We had more money in the Treasury than we knew what to do with. The Congress even reduced taxes to keep the intruding revenue from bursting the Treasury vaults.

Then came the crash. At first we could not believe our own eyes. We stood stock-still for a couple of years, waiting for prosperity to come around the corner. Finally, it dawned upon us that we were in the throes of a violent panic; that we would have to get down to hardpan and start all over again. Taxes became a galling burden and people demanded greater economy in government.

I reiterate that the cost of Federal Government is too high, and I favor cutting expenditures to the bone. At the same time, however, I am aware that there must also be greater economy in State, county, and municipal government before the rank and file will be afforded much relief from taxes. The cost of the State and local governments now aggregates the staggering sum of \$10,000,000,000 a year. So instead of looking continually to Washington for tax relief the folks back home should cooperate in lowering the cost of State and local government.

There has been a great deal of talk recently about effecting greater economy in the Federal Government through the reorganization and consolidation of the various departments and bureaus, so as to eliminate the duplication and overlapping of activities. I am reminded of the city boy who after hiring out to a farmer was sent to grease the wagon. About an hour later he came back smeared with axle grease. "Well, sonny, did you get it greased?" inquired the farmer. "Yes, indeed," replied the boy, "all except them henkies the wheels turn on; I couldn't get to them."

During the past decade this question of reorganizing the Government structure has engaged the attention of both the Congress and the administration, but, up to now, precious little except talking about it has obtained. In other words, we have done everything except the actual reorganization, and we have been unable to get to that. Scant saving has resulted from reorganization in the past. Most of it, in fact, has consisted of marching employees out of the back door of one department into the front door of another. While I am convinced that hundreds of millions of dollars a year could be saved by eliminating needless boards and commissions, reorganizing the whole structure and coordinating the work, I realize that this is no easy task.

It seems to me that we are endeavoring to maintain the organization virtually intact, and, at the same time, put the requisite economy into effect. Obviously this can not be done unless the pruning knife is wielded, efficiently and effectively. The paramount question is, Who will do the wielding? In my opinion the practical solution of this problem has begun when representatives of both branches of Congress met the President and his representatives last week.

If good faith prevails all around, if the interest of the whole Nation is uppermost in their consideration, not gestures for political purposes only, much economy can be realized. It should not require any extended time for these representatives to evolve a reduction schedule and submit it

to Congress. I believe a large majority of the Congress feel about it as I do. We only crave an opportunity—wisely suggested—to do our share in relieving as far as possible in this direction the burdened American taxpayer.

We must approach this important subject wisely. Nothing will be accomplished if the Executive refuses to cooperate with the special Economy Committee delegated by the House to draft and submit a reorganization plan. If he insists upon *carte blanche* authority to do the reorganizing himself, I have small hope of any constructive action. I never have, and I do not now favor delegating a function of Congress to any other branch of the Government. I furthermore believe Congress should be courageous enough to discharge faithfully the duties imposed upon it by the Constitution.

Meantime we must bear in mind that the House Appropriation Committee, under the chairmanship of the distinguished gentleman from Tennessee [Mr. BYRNS] already has lopped off of the annual supply bills passed to date \$118,000,000. And the Senate is making further reductions, estimated to bring the total up to at least two hundred millions.

Of course I am aware that our eminent Secretary of the Treasury, Mr. Mills, insists that one hundred and twenty-five millions is the maximum amount that can be saved through reduction of the regular appropriations. However, I think the chairman of the House Appropriations Committee knows as much about cutting appropriations as Mr. Mills, and, besides, the Secretary of the Treasury could do a lot more toward balancing the Budget by getting busy and trying to collect at least part of the nine hundred and seventeen millions of past-due taxes that are now tied up in litigation.

THE BEER BILL

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to address the House for four minutes to make an announcement.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, there was filed at the Clerk's desk to-day a petition to discharge the Committee on Ways and Means from the further consideration of the bill, H. R. 10007, commonly called the O'Connor-Hull beer bill. That bill, with which the House is quite familiar, I am sure, is the result of the action of both of the so-called wet groups of the House, Republican and Democrat, and was approved unanimously by both groups. At a meeting of the executive committee of both groups it was decided to file the petition to-day and ask for the necessary 145 signatures. It is contemplated to have a vote in the House on April 25 or May 9, probably on the latter date.

The bill provides for a tax of 3 cents per pint, estimated to raise \$500,000,000 per annum. It abolishes the saloon. It provides that the beer shall be sold only in bottles, not to be drunk on the premises except in a dining room of a hotel, restaurant, or club. It provides against the shipment from any wet State into a dry State. It provides against the shipment into any local subdivision of a State which does not desire the sale of the beer, thus assuring local option. It also makes available 150,000,000 bushels of domestic barley or corn, and prohibits the importation of any grain into the country for use in the manufacture of this beer. This provision should help utilize some of the surplus agricultural products.

There are other provisions in it which makes it the most thorough and well-considered bill that has ever been suggested to Congress.

Of course, the bill modifies the Volstead Act by permitting beer which contains 2.75 per cent alcohol by weight. That percentage has been established as nonintoxicating in fact.

The petition is now at the desk and anybody in sympathy with modifying the Volstead Act to that extent will sign the petition. All wets should and we are sure will sign the petition.

Mr. UNDERHILL. Has the Committee on Ways and Means passed upon it?

Mr. O'CONNOR. The Committee on Ways and Means has been requested to grant a hearing. The bill has been in that committee since March 2, and therefore the 30 days has expired. That committee has not yet seen fit to grant a hearing or take any action on the bill, so under the rule we are presenting the petition. We, therefore, ask all Members to sign the petition so that the matter can come to a vote in the House.

LEGISLATIVE APPROPRIATION BILL

Mr. SANDLIN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes. Pending that motion I suggest to the gentleman from Colorado [Mr. HARDY] that we divide the time equally to-day for general debate and fix the time later.

Mr. HARDY. That is satisfactory to me.

The SPEAKER. The gentleman from Louisiana moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the legislative appropriation bill; and pending the motion, asks unanimous consent that the time for general debate be divided equally between himself and the gentleman from Colorado. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, is it the intention of the gentleman to occupy the entire day in general debate?

Mr. SANDLIN. It is.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Louisiana.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11267, the legislative appropriation bill, with Mr. WARREN in the chair.

The Clerk read the title of the bill.

Mr. SANDLIN. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SANDLIN. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. BYRNS].

Mr. BYRNS. Mr. Chairman, I am not going to discuss the pending bill. That will be done later by the gentleman from Louisiana [Mr. SANDLIN], who is the chairman of the subcommittee which has prepared and presented it here for your consideration. I have asked for the floor at this time to further show what the Committee on Appropriations has done up to this time, and also what the House has done with regard to reductions in the estimates submitted by the President. This bill, the legislative appropriation bill, carries a reduction under the Budget estimates of \$2,293,973. Two million dollars of that is arrived at by the determination of the subcommittee not to proceed with the work of building an addition to the Library during the year 1933.

I presume that my friend from Nebraska [Mr. SIMMONS] will say that that is another one of those deferred appropriations for which the committee is not to take credit as a reduction; but as a matter of fact, this, like the other reductions that have been made, has been made with the idea that the work is to be deferred during the year 1933. Under those circumstances, I am sure it will appear to every Member of the House, with the possible exception of my friend, that it would be foolish to make an appropriation for work during the year 1933 when there is no intention, so far as the committee is concerned, and I think so far as Congress is concerned, that the work shall be carried on.

The total reductions under the present estimates of the bills that have passed, and this pending bill, amount to \$117,388,100.56. I shall file in the RECORD a statement showing just how much these reductions have been with respect to the various bills; but I call the attention of the House

and the country to the fact that the Committee on Appropriations have reduced the President's estimates in this large sum of \$117,000,000 plus, and to say that in my judgment when the other three bills have been reported it will be found that there has been a reduction of \$150,000,000 and perhaps more below the estimates submitted by the President. These reductions have not been made in a haphazard way. There is not a subcommittee which has reported these bills which has not sat for days and weeks, and sometimes for months, conducting hearings with respect to every single item in the bill. There is not an item in this bill or in any other bill which has been reported which has not been very carefully investigated by the subcommittee, and these subcommittees have made these reductions, and they have been approved by the general committee, with the idea and belief that they will be sufficient for the purposes for which they are made, and that there will be no necessity for any deficiency appropriation to take care of any of these reductions next session, unless something extraordinary shall occur. I am not saying anything about reductions which we are told are in contemplation at the other end of the Capitol, but I am speaking now with reference to reductions that have been made by the House Appropriations Committee and made unanimously by the Members on both sides of the aisle on that committee, and which have been adopted by the House. I feel that this subcommittee which has reported this bill with a reduction of 28 per cent below the appropriations for 1932 submitted has done a wonderful job, and I take this occasion to heartily commend every member of the subcommittee, of which the gentleman from Louisiana [Mr. SANDLIN] is the chairman, for the work they have done in the interest of the public and in the interest of the United States Treasury.

Something has been said with reference to the deferring of appropriations. I say again that there has not been in the mind of a single member of that committee the idea that we are reporting appropriations for which deficiencies will have to be made next December. Every member of that committee, Democratic and Republican, took up these investigations with only one purpose in view, and that was to reduce the estimates to the very limit, but at the same time not to deprive any essential activity of the amount of money necessary to carry on in a proper way. I am sure the members of the committee will join with me when I say that I do not think that we failed in that endeavor. It may be that there have been some estimates which have cut too deep, but in those cases I am sure that the departments by the exercise of proper economy and good business judgment can get by; and if they should come up here next December and ask for deficiencies, the committee will demand a strict account as to how they have spent the money which has been placed at their disposal.

There is nothing else I wish to say except to call the attention of the House to these reductions, and I ask unanimous consent that I may file this statement as part of my remarks showing where these reductions have been made with respect to the different bills that have been reported.

The CHAIRMAN. Is there objection?

There was no objection.

First deficiency:	
Budget estimates.....	\$139,330,162.75
As passed House.....	125,159,042.75
Under Budget estimates.....	14,171,120.00
Agriculture:	
Budget estimates.....	186,243,405.00
As passed House.....	175,408,814.00
Under Budget estimates.....	10,834,591.00
Interior:	
Budget estimates.....	56,705,352.33
As passed House.....	50,446,432.33
Under Budget estimates.....	6,258,920.00

State, Justice, Commerce, and Labor:	
Budget estimates.....	\$129,784,136.89
As passed House.....	124,215,992.33
Under Budget estimates.....	5,568,144.56
Treasury and Post Office:	
Budget estimates.....	1,082,575,905.00
As passed House.....	1,059,778,163.00
Under Budget estimates.....	22,797,742.00
Independent offices:	
Budget estimates.....	1,041,395,041.00
As passed House.....	985,931,431.00
Under Budget estimates.....	55,463,610.00
Legislative:	
Budget estimates.....	22,517,842.00
As reported to House.....	20,223,869.00
Under Budget estimates.....	2,293,973.00
Total amount of decrease under Budget estimates.....	117,388,100.56

Mr. STAFFORD. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. STAFFORD. Has the gentleman's estimate of \$117,000,000 plus of savings taken into consideration the reductions that the Senate is proposing to the various general appropriation bills that the Senate is considering?

Mr. BYRNS. No; this reduction of over \$117,000,000 applies solely and alone to the reductions that have been made here in the manner that I have stated.

Mr. STAFFORD. So the prospect is, if the policy of the Senate is adhered to, that the reductions will be much greater than the amount forecast by the gentleman.

Mr. BYRNS. They will be, if the Senate carries out its announced purpose, because I say to the gentleman, and I speak only for myself as one member of the committee, that so far as I am concerned, I am prepared to accept any reduction that the Senate makes. [Applause.]

Mr. COLTON. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. COLTON. I have been very much interested in testimony given this morning in a public hearing before the Committee on Expenditures in the Executive Departments. It was developed, for instance, that in the Bureau of Investigation in the Department of Justice there are over a thousand cases to be investigated by the Bureau of Investigation. If this proposed reduction in another body is made, instead of being able to investigate those cases they will have to discharge some of their personnel after July 1. That bureau is a paying bureau to the Government; its fines and recoveries are more than its expenses.

If we make the proposed reduction we are going to curtail a very necessary activity, not only in the matter of investigating these cases—and some of those investigations are needed—but in the matter of receipts to the department. In other words, we are curtailing our receipts. That is false economy. Just ruthless cutting is not economy.

I wondered if the gentleman in this statement that he is making has taken into consideration the curtailment of necessary activities? Are we not practicing wrong economy in many instances?

[Here the gavel fell.]

Mr. SANDLIN. I yield the gentleman two additional minutes.

Mr. BYRNS. I take it that the gentleman refers to the appropriation carried in the Interior Department appropriation bill.

Mr. COLTON. No; I have reference now to the Department of Justice. The same thing is true of the Interior Department, however.

Mr. BYRNS. That bill, like the Interior bill, is now pending in the Senate; and I expect the gentleman will have to make his argument over there.

I do not think there is any such curtailment in the bill as it passed the House. The gentleman probably has looked into it particularly and knows better than I do.

If the Senate, as I just said, upon its own responsibility arbitrarily reduces any appropriation in the amount of 10 per cent, I feel, especially under all the circumstances and conditions, that the House ought to accept it.

Mr. COLTON. I will say to the gentleman that, for one, I was very much startled at the testimony which developed this morning. Here is an activity of the Government actually paying a return, and yet it is going to be so hampered that it may not do necessary investigative work. I do not think we ought to cut irrespective of needs and service rendered.

Mr. SNELL. Will the gentleman yield?

Mr. BYRNS. Certainly.

Mr. SNELL. I did not understand what the gentleman said about a deficiency this morning. The other day when he was discussing that I understood him to make the positive statement that if he were chairman of the Appropriations Committee next December there would be no deficiency appropriations.

Mr. BYRNS. I said with respect to the reductions made by the Appropriations Committee and the House that there would be no deficiencies unless the departments were able to present us an air-tight case showing it was necessary and that they had practiced proper economy. I did not intend for that statement to apply to anything that might be done at the other end of the Capitol.

Mr. SNELL. But I thought the gentleman made the statement the other day—I did not look at it in the Record—that there would be no deficiencies if he were chairman of the Appropriations Committee.

Mr. BYRNS. I do not know how it appears in the Record.

Mr. SNELL. It was a very positive statement that the gentleman made at that time.

Mr. BYRNS. I was referring to those estimates which have been reduced by the Committee on Appropriations of the House and also by the House itself.

Of course, the gentleman understands that if another body undertakes to say in advance of hearings that it is going to reduce all appropriations 10 per cent, I could not take the responsibility of saying there would be no deficiencies.

Mr. SNELL. I did not understand it to apply to reductions made by another body; but as far as the House reductions were concerned, I understood the gentleman to say definitely there would be no deficiencies.

Mr. BYRNS. I want to say that there will be none unless the departments can absolutely show beyond the shadow of a doubt that unexpected emergencies have arisen.

Mr. SNELL. I did not understand that exception.

Mr. BYRNS. That unexpected emergencies have arisen, or that, even with the practice of the most rigid economy, they have not been able to keep within the amounts allotted them.

Mr. SNELL. That has always been their argument when they come before the committees for deficiencies.

Mr. BYRNS. There will have to be unusual circumstances to warrant a deficiency.

Mr. SNELL. I am glad the gentleman takes that position, and I hope that he will continue in it.

Mr. BYRNS. I shall certainly adhere to that position. [Applause.]

Mr. HARDY. Mr. Chairman, I yield five minutes to the gentleman from Iowa [Mr. KOPP].

Mr. KOPP. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the Record on the subject of reduction of salaries of Members of Congress.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. KOPP. Mr. Chairman, the bill that will make the appropriation for the salaries of Members of Congress is now before us. During the consideration of this bill the question will arise whether the salaries of Members of Congress shall be reduced. I am heartily in favor of such a reduction, and by that I mean a substantial reduction.

During a time like this, when there is universal distress, we must be willing to make a sacrifice. While considering

our salaries the condition of the country can not go unheeded.

As we are the legislative body we fix our own salaries; and, that being the case, we must be specially careful to be fair and just. We should make our salaries too low rather than too high. All doubt should be resolved against ourselves. That is the only tenable rule when we pass upon matters in which we ourselves are interested.

In my judgment the reduction should be not less than 25 per cent. Such a reduction would restore the salary that was established 25 years ago. In this emergency we must be willing to do our part.

Mr. HARDY. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. DOWELL].

Mr. DOWELL. Mr. Chairman, the legislative appropriation bill now before the House carries the appropriations for the salaries of Senators and Members of the House.

During this session of Congress efforts have been made to economize in the expenditures in the various departments of the Government.

It must be apparent to everyone that with the large deficit in the Treasury rigid economies must be put into effect in every branch of the Federal Government.

The people throughout the country are overburdened with taxation and Government expenses must be reduced.

Throughout the country to-day business has not been restored; many farmers, by reason of the low prices of their products, are unable to pay their taxes and labor is out of employment.

With these conditions, it seems to me Members of Congress should make a substantial contribution to the economy program of reducing governmental expenditures by a reduction of their own salaries. I believe a 25 per cent reduction of the salaries of Members of Congress should be approved by the House.

Again I repeat, Government expenses must be reduced.

Mr. SANDLIN. Mr. Chairman, I yield 15 minutes to the gentleman from Oklahoma [Mr. HASTINGS].

Mr. HASTINGS. Mr. Chairman, I favor any one of the bills pending before the committee which will result in the payment of the balance due on the adjusted-compensation certificates. Some of these bills provide for payment by Treasury certificates, some in cash, and others by the exchange of 4½ per cent tax-exempt bonds. They all serve the same purpose.

The ex-service men are earnestly desirous of receiving the balance due on their certificates, and I am glad to support any one of the measures that will result in the payment of the balance due.

The Veterans' Administration estimates that the total net amount due the ex-service men on their certificates, on October 31, 1931, after deducting loans and interest, amounts to \$2,185,705,921.17.

I favor the payment of the balance due on these certificates because I think it is fair and just to the ex-service men of the Nation. They offered their lives to their country and served it faithfully and courageously during the World War and brought back the flag in triumph.

There have been four arguments urgently pressed against the enactment of this legislation:

First. That Congress has already made generous appropriations for the benefit of the ex-service men;

Second. That it would be too great a strain upon the Federal Treasury to pay the balance due on these certificates at the present time;

Third. It is urged that the money received through the payment of the balance due on these certificates would not be used for useful purposes; and

Fourth. That the ex-service men do not want them paid now.

The first is that Congress has already been generous in enacting legislation and making appropriations for the benefit of the ex-service men.

This argument was advanced in the House by the gentleman from North Carolina [Mr. BULWINKLE] on Saturday,

April 9, 1932, before the Ways and Means Committee of the House was to begin on Monday hearings on the various bills pending before that committee.

The speech was well timed. The figures were placed in the hands of a well-beloved Member. He has an excellent war record. The psychology was perfect. The figures were given publicity to defeat favorable action by the committee and by Congress on the pending bills.

We do not challenge the accuracy of the figures given nor the legislation reviewed as having been enacted for the benefit of the ex-service men and for the veterans of all wars.

True, Congress made generous appropriations for the conduct of the World War and has purchased and maintained hospitals for the disabled; has given the soldiers the option to take out insurance at a minimum rate; has provided for vocational rehabilitation of those disabled in their country's service; has made appropriations for disability compensation and for pensions; and has enacted other legislation, including loans to the extent of 50 per cent on the adjusted-compensation certificates.

I supported all of these measures.

Let us strip the figures given and the facts stated by the gentleman from North Carolina [Mr. BULWINKLE] to the waistline and examine them a little more critically.

Almost 5,000,000 men joined the colors during the World War. About half of them were thrown across the seas. Thousands, if not millions, of those boys who upheld our ideals have not been hospitalized, have received no disability compensation, and draw no pensions. They have received no compensation nor benefits other than their pay of \$33 per month received by them as private soldiers. They were induced—in fact, circumstances compelled them—to allot \$15 per month out of their pay for the support of their dependents. Additional amounts averaging \$7 per month were deducted to pay the premiums on their insurance. Nothing remained, not even cigarette money, out of their monthly pay check at nightfall of the day it was received. At most it did not exceed \$11 per month.

Upon their return home Congress, in 1924, appreciating that this compensation was entirely inadequate, enacted legislation providing for the issuance of adjusted-compensation certificates, and the ex-service men were given an additional sum of \$1.25 per day for service overseas and \$1 per day for service at home, payable 20 years thereafter and for the most part in 1945.

Now, what did the private soldiers receive, some of whom saw service at Chateau-Thierry July 15 to 18, 1918, when the enemy was checked, Paris saved, and the whole tide of the war was changed? Some of them swept down the Woevre Valley in the St. Mihiel offensive under the command of the gallant General Pershing, and still others were transferred to the Argonne, where they fought through wire entanglements, slept in the trenches, went over the top, and brought the war to an unexpected but triumphant close in the signing of the armistice on November 11, 1918.

For this hazardous, patriotic, service the private soldier who saw service overseas received \$1.25 in adjusted-compensation certificates, payable in 1945, in addition to the \$33 per month. This makes a total of \$2.35 per day for overseas services. If you deduct the \$15 for support of dependents at home, or 50 cents per day, and \$7 for premium on insurance, or approximately 25 cents per day, this leaves \$1.60 per day, all told, paid to the private soldier for his services. We pay the charwomen who keep the House Office Building more than that.

What were the civilians getting at home in the meantime? From \$4 to \$12 per day. Wages of all kinds in every line, and salaries of all kinds, both in and out of the Government service, were high. Have we forgotten that? Is it not true?

The proposal to pay these ex-service men now only advances the date of payment on these certificates from 1945 to the date of the enactment of this legislation. In other words, Congress would cancel or remit the interest on these certificates for the period between that date and the date the certificates would be due in 1945.

Does any business man believe that this is too much of a concession to those who braved every danger to assist in snatching victory from defeat?

The amount of compensation they received was very small for the dangers they braved, the hardships they underwent, and as compared to the enormous sums made by those engaged in civil pursuits during the time these ex-service men were in camp or in the trenches fighting on foreign soil.

In adjusting our foreign-debt settlements we canceled or remitted \$10,705,618,006.90 to the various foreign governments. In our settlement with Italy we charged no interest for 5 years, during the next 5 years we charged one-eighth of 1 per cent, the next 5 years one-fourth of 1 per cent, and graduated the interest up to a maximum of 2 per cent during the last 7 years. Shall we be more generous to the citizens of Italy than to the ex-service men of our Nation who snatched victory from defeat on foreign soil?

We remitted approximately 26 per cent to the citizens of France on their indebtedness. It is urged we made these settlements on their debts in accordance with their ability to pay. Of course, no economist can tell the ability of a nation to pay over a period of 62 years. Italy has already increased her navy and enlarged her army, necessitating additional expenditures by our Government.

France has sufficiently recovered to contest with our Nation the possession and control of a large part of the gold supply of the world.

If we cancel or remit interest to every foreign government in the world, we can certainly afford to be equally as generous to the ex-service men of our own country.

I appeal with confidence when I ask you to consider the present plight of our own depressed country and ask you what is the ability, in these troublous times, of our ex-service men to meet obligations that are pressing them upon all sides. Is not their condition as appealing as the condition of the foreign countries when they successfully appealed to Congress to cancel or remit interest?

Again, the remission of interest to the ex-service men is so slight, as compared with the services rendered and the dangers encountered and the hardships endured by them, that I have but little patience with those who urge it against the ex-service men of our country and then voted to make these foreign-debt settlements.

Even in December Congress voted to further postpone, extended over a period of 10 years, the interest due on these generous settlements, amounting to the sum of \$252,000,000.

Second, it is urged that it will be too great a strain upon the Federal Treasury to make payment of the balance due on these certificates at the present time.

The question uppermost in the minds of the members of the committee is how we are going to finance this payment.

My reply is that it can be done easily through the issuance of bonds or through payment in Treasury certificates or Federal reserve notes, and I want to invite your attention to a bill, H. R. 6584, which I have introduced as an alternate measure, which provides for the exchange of 4½ per cent tax-exempt bonds at par in exchange for these certificates. These bonds would be due in 1945, should readily be absorbed at par, and result in the ex-service men receiving in cash the balance due on these certificates.

I do not believe that the payment of the balance due on these certificates through the issuance of Treasury certificates or bonds would endanger the financial stability of the Nation. We are the strongest, richest, and most stable government in the world. During the World War we issued more than \$25,000,000,000 in bonds, and surely the issuance of \$2,000,000,000 additional at the present time, payable in 1945, when these certificates are due for the most part, for the purpose of paying them now, would not endanger the financial security of this country. In my judgment, it would relieve it through increasing the purchasing power of the consuming masses of the people.

The payment of the balance due on these certificates would do more to relieve the depression than any other legislation we could enact at this time. Conditions have gone from bad to worse for two years and a half. The crash

on the stock market came in the latter part of October, 1929. Since that time Congress has applied every remedy. No sign of recovery has appeared. More than 4,000 banks failed in 1931. Since December Congress has enacted much legislation in an effort to restore prosperity, but confidence has not been restored.

The prices of farm products are at ruinously low levels. Taxes are not being paid. Farm mortgages are being foreclosed. Obligations of all kinds are not being met. Every kind of business, great and small, is at a standstill. It is estimated there are between six and eight million people unemployed throughout the country. There is no class of business that shows any sign of recovery.

If the balance due on these certificates, amounting to the sum of \$2,185,705,921.17, were paid, the volume of money would be increased and the relief would reach practically every family and would favorably affect every class of business in the country. The deposits in the banks would be increased, obligations would be paid, the unemployment situation would be relieved, the purchasing power of the great consuming masses of the people would be restored, and it would result in a general revival of business throughout the country. More food for families and more feed for livestock would be purchased. This would increase the demand for farm products.

The third objection raised to the payment of these certificates is that the money would not be spent wisely. This argument was used when Congress was considering legislation providing for loans to be made to the veterans up to 50 per cent of the value of their certificates. An authoritative statement was made by General Hines, Administrator of Veterans' Affairs, that less than 6 per cent of the money received from the proceeds of these loans was improvidently expended.

Surely these ex-service men will never find themselves in greater need of financial assistance than now. It is estimated there are from six to eight million people unemployed, many of them ex-service men. Families are being evicted from their homes for the nonpayment of rent. Taxes are not being paid on farm lands and farms are being sold by the thousands under foreclosure proceedings.

This legislation is not only in the interest of the ex-service men but is for the purpose of reviving business conditions throughout the country. We need a greater volume of money in circulation. Money is timid and is being hoarded. The volume of the circulating medium is insufficient. When money is scarce, like any other commodity, agricultural or manufactured, its exchange value is high. This legislation would bring every dollar out of hiding and would result in reviving business and restoring prosperity throughout the country.

Congress has enacted legislation in an effort to quiet the financial storm that is raging. The reconstruction finance bill was passed authorizing loans to be made to railroads and banks in an effort to stabilize conditions. Everyone knows what a bank failure means to a community. A failure in any line of business leaves in its path the wrecked fortunes of many innocent families. This bill also provided \$50,000,000 for loans to farmers, and \$125,000,000 was appropriated to assist the farm land banks, and other legislation is being prepared having for its purpose the bringing back of prosperity. However, I do not believe that any legislation will reach so many people, so many different families, affect so many different communities, and be of more general benefit to the country than the enactment of this legislation providing for the payment of the balance due on these certificates at this time.

Fourth. It will be urged that the ex-service men do not want payment made at the present time of the balance due them, and I have no doubt that the resolutions adopted at the Legion convention at Detroit will be quoted over and over until they are threadbare. Everyone knows what pressure was brought to bear upon those in charge of the resolutions.

In my judgment these resolutions do not express the sentiment of the ex-service men of the Nation. I do not believe

I exaggerate when I say that in my judgment the sentiment is almost unanimous among the ex-service men of my State for the payment of the balance due them on these certificates. If a vote were taken I believe that less than 1 per cent of them would vote against such a payment. The last expression, that of the State convention held at Enid, Okla., was overwhelmingly in favor of the payment of the balance due them on these certificates.

Finally, it is urged that the ex-service men should be as patriotic now as in time of war and not request payment of the balance due on these certificates.

In reply permit me to suggest that the people of the Nation should be as generous to the ex-service men now as when we bade them goodbye with tears in our eyes as they entrained in their country's service to die or bring back the flag unsullied and in triumph. [Applause.]

[Here the gavel fell.]

Mr. HARDY. Mr. Chairman, I yield two minutes to the gentleman from South Dakota [Mr. JOHNSON].

Mr. JOHNSON of South Dakota. Mr. Chairman, back in the days of 1917 and 1918 some of the noblest women in the world entered the nursing service of the United States Army, and many of them suffered, perhaps, as great hardships as the soldiers themselves in combat units.

Quite a number of these same women are in Washington to-day attending the meeting of the Red Cross, and I notice several now in the gallery. I recognize one nurse in particular, who had a fine service record, Miss Lucia Freeman, of North Carolina, and I take great pleasure in introducing her to the Members of the House of Representatives. [Applause, the Members rising.]

Mr. HARDY. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. LANKFORD].

Mr. LANKFORD of Virginia. Mr. Chairman, I have listened with a great deal of interest to the speech just made by the gentleman from Oklahoma [Mr. HASTINGS], and also to the speech of the gentleman from Georgia [Mr. PARKER], yesterday. I want to take this opportunity to say a word about the demand for the payment of the soldiers' bonus. I have a small button of the American Legion that I am very proud of, and will always be proud of it. I think we all want to do what is best for the welfare of the veterans. No veteran can say that he has not been well provided for when we are spending practically a billion dollars a year for veterans at this time. I want to say that when the time comes that we can pay the bonus, I am going to vote for it and work for it, but I am not going to vote for it at a time when it will embarrass and, perhaps, disrupt the financial condition of this country, as I believe it would do now.

Mr. Chairman, I ask unanimous consent to include in my remarks a resolution passed by two Norfolk posts of the American Legion, of one of which I was once commander.

The CHAIRMAN (Mr. DELANEY). The gentleman from Virginia asks unanimous consent to include a resolution in his remarks. Is there objection?

There was no objection.

The following is the resolution:

Resolution

At the Tidewater Post, No. 35, meeting the resolutions were introduced by W. Garland Jones. They were passed with only 1 or 2 dissenting votes, and were identical in import with that passed by the Post 67 executive committee. The text follows:

Whereas we are in full accord with the position taken by the 1931 national convention of the American Legion held in Detroit, Mich., expressing disapproval of any further cash payments on the adjusted-service certificates at this time; and

Whereas we recognize that there are some advantages in certain legislation providing for such payments now pending before the Congress of the United States, but believe that such advantages are outweighed by the detrimental effects which the enactment of such legislation would have upon the best interests of our country under existing conditions; and

Whereas we are primarily interested in the welfare of disabled veterans and the maintenance of adequate governmental provision for the widows and orphans of veterans: Now, therefore, be it

Resolved by Tidewater Post, 35, of the American Legion, Department of Virginia, That our Representative in Congress be, and hereby is, requested as follows:

1. To vote against any legislation providing for further cash payments on the adjusted-service certificates at this time; and

2. To oppose any reduction in the rate of compensation or disability allowance now being paid disabled veterans or their dependents; and

3. To work for the reduction in rate of interest charged veterans on their loans so that the same will be no higher than the cost of the money to the Government; and

4. To support any programs designed to make adequate provision for disabled veterans and the widows and orphans of veterans; and

Resolved, That by the adoption of this resolution we are not to be understood as necessarily opposing a further cash payment under favorable circumstances in the future, if at such subsequent time the financial condition of the National Government will permit; and

Resolved further, That copies of these resolutions be sent to the Hon. MENALCUS LANKFORD, Representative in Congress of the second district of Virginia; and also to National Commander Henry L. Stevens, Jr., and to Department Commander Adam T. Finch, with the request that other posts be urged to take similar action.

Mr. LANKFORD of Virginia. That resolution sets forth that if it is going to embarrass the financial condition of the country they do not want it paid at this time.

Now, that was not what I rose to speak about. I rose to speak on another subject. I hesitate to do it, because I am thoroughly in accord with the plan to economize, and I am going to support the economy program. I am going to support it loyally, but we do not want in a state of hysteria and excitement to do certain things that will have a detrimental effect on our welfare, to adopt a remedy that is worse than the cure.

I hope some members of the Economy Committee are on the floor, because what I wish to say now is intended especially for them. I have heard a suggestion that the Shipping Board operations are to be suspended. At first blush one might think that is a good thing, and especially it might appeal to gentlemen who represent the interior parts of the country. But the fact is that if American ships are taken from the seas and American shipping is wiped out, the people will pay far more for their freight in a year to and from foreign ports than the present cost of the operations of the fleet itself. I have some figures here which I would like to bring to your attention. No appropriation was made this year for the Shipping Board operations other than the cost of operating the board itself, at about \$400,000. This ship operation cost is paid out of the sale of ships and out of returns coming in, and instead of about seven millions, as I have seen it stated in the press, I am advised that it is actually less than \$5,000,000 for the operation of 125 ships of the Shipping Board during the next year. That means a great deal in the matter of employment for people of this country. This is not a time when we want to cut thousands of men out of employment and reduce the consuming power of the country. We should keep that up and increase it as far as possible. If we can do that without hurting the Budget, it seems to me that that is the reasonable thing to do. The pay roll for 4,000 men engaged in operating these American ships would amount to \$6,000,000. What does that mean with respect to employment, and what does it mean also in respect to consuming power?

The wages for stevedores would amount to \$6,500,000, and that is another tremendous employment feature and also a large item in the purchasing power for people who would otherwise be thrown out of work. Surely the Members of the House do not want those wages paid to foreign seamen and have our men thrown out of work, but that is exactly what would happen if we abandon the fleet operation. Then there is the matter of fuel oil, and you gentlemen from the coal and oil sections of the country will be interested in this. The fuel oil consumed by these ships will amount to \$2,750,000. That oil will be purchased in foreign ports if foreign ships are allowed to carry our trade. The repairs in American shipyards amount to \$1,650,000, and you gentlemen know as well as I do that if foreign ships are operated and carry our trade, they will have their repairs made in foreign shipyards. Subsistence, stores, and equipment amount to \$1,187,500. That is another item of business and supplies furnished by this country and by the material men of this country. Then there is other cargo expense, mostly labor, amounting to \$350,000. The total

business done by the operation of these ships, in wages paid and purchasing power, amounts approximately to \$20,000,000. Is it wise, to save the expenditure of \$5,000,000 for the operation of the ships, to lose an expenditure of \$20,000,000 in this country in the employment of labor, to say nothing of the protection given American exporters and importers from excessive freight rates, which these American-owned ships afford.

The gentleman from Oklahoma [Mr. HASTINGS] mentioned the tremendous importance, and it is the main argument I understand in favor of the payment of the bonus, of distributing money throughout the country. This distributes that much money, \$20,000,000, and I have taken this opportunity to bring this to your attention and ask you to consider it carefully before we do away with the operation of American ships, protecting our commerce on the seas, protecting our nationals from the high rates which would be imposed if our shipping were turned over to foreign nations. As it is now, we can protect that because our ships hold down the rates, but if we get rid of them, you will see the rates immediately rise, and it will cost the American people much more than the \$5,000,000 annually now being spent to maintain them. [Applause.]

Shipping Board now operating 125 steamers in essential routes. Fleet Corporation expense of operation less than \$5,000,000, and no appropriation requested in 1933 Budget.

Shipping Board Lines disburse following money:

Sea wages (4,000 men).....	\$6,000,000
Stevedore wages.....	6,500,000
Fuel (mostly oil).....	2,750,000
Repairs.....	1,650,000
Subsistence, stores, and equipment.....	1,187,500
Other cargo expense (mostly labor).....	350,000

Total wages and purchasing power, approximately..... 20,000,000
Fleet Corporation expense includes \$1,336,000 paid back to Government for hull insurance.

Mr. LUDLOW. Mr. Chairman, I yield 15 minutes to the gentleman from Oklahoma [Mr. SWANK].

Mr. SWANK. Mr. Chairman, Congress has been in session for four months and during that time has passed the President's moratorium bill on foreign debts owing us in the sum of \$252,000,000 and the \$2,000,000,000 Reconstruction Finance Corporation act for big business of the country, and it is about time that something was done for our farmers and working people. Do all you may for the great and powerful and enact all the laws they desire, but there will never be any prosperity in this country again until it returns to the farm. Agriculture is the leading industry in our country and the business upon which all others depend. The farmers of the United States produce the necessities of life, the food that we eat, and the clothes that we wear, and they can not continue to exist and produce these necessities at less than cost. Any other business would have been compelled to quit long ago at that rate. When the farmers receive a fair price for the products of their toil there is a general wave of prosperity throughout the land, but when depression hits the farmer it strikes all business institutions and all our people suffer. The time has arrived when something must be done. We can not longer delay and see our chief industry destroyed.

We now have the greatest depression that ever spread over our fair land. There is a remedy and prosperity can be brought back. If this administration now in control of the affairs of government could see and know the necessity of assisting agriculture instead of giving all its time and our money to the big business institutions of the Nation, that prosperity that we have heard so often was "just 'round the corner" would soon be here. This depression has not altogether been brought upon us by the aftereffects of the war, as some of the big politicians say, but it has largely been caused by a failure to comprehend the situation and needs of the times by those in charge of our Government. The people are sick and tired of that old, worn-out song of "better times coming" and now we must gird ourselves anew for the big battle that is impending in behalf of the people. The

farmers work just as hard as ever, they are as patriotic as any of our citizens, and are entitled to a price for their products that will enable them and their families to enjoy some of the comforts of life as well as the bare necessities.

My colleagues, none of you have ever seen agriculture in the deplorable condition that now confronts us. I know you will hear certain politicians say that we should not talk about the present crisis now with us, but the truth should always be told. The farmers are more in debt than ever before and have less with which to pay. Their taxes are increasing and their income decreasing. Never in your time or mine have we seen farm products sell as low as last fall. Those prices should never come again. There is not a surplus of wheat or cotton, as we hear and read so much about. There is no surplus of wheat in this country until every man, woman, and child has sufficient wheat bread to eat to ease the pangs of hunger, and no surplus of cotton until they have sufficient clothing to keep them warm. The trouble is that the hungry and naked can not find work with which to earn money to buy these things. Never before have we seen so many men and women traveling the highways and byways looking for work to earn a living for their loved ones. If those who want work had something to do at reasonable wages, there would be no surplus of farm products. With their burdens increasing and their purchasing power decreasing, the load is now greater than they can bear. There is always a limit to human endurance, and the burden has been piled so heavily on the backs of our farmers that something must be done, and done now. There is a way out. When we talk of such conditions that we now face, a remedy should be suggested. I believe Congress wants to do something, and the plan I offer will afford a simple, workable, and effective remedy.

A short time ago the Oklahoma delegation in Congress, after discussing agriculture with farm leaders and other Members of Congress, prepared a bill in line with and approved by the National Farmers Union of the United States for the relief of this industry. The bill is easily understood and simple of operation. If enacted into law, it will require no extra appropriations, as we already have the machinery of Government to administer the act. The bill is H. R. 7797, introduced by me in the House of Representatives, January 15, 1932, and is supported by the Oklahoma delegation. Briefly the bill abolishes the Farm Board and transfers the activities of the farm marketing act to the Secretary of Agriculture. I am opposed to the abolishment of the farm marketing act, but believe it can be more economically and efficiently administered by the Department of Agriculture, where we have experts in all branches of farm activities. During the past year, I believe, all will agree that the Department of Agriculture would have done as well as the Farm Board. No man can justify the enormous and extravagant salaries paid and authorized by the Farm Board. There is no need for a separate board for farm activities. That is what the Department of Agriculture was organized for and that is a part of its business. To say that it can not be done is but to approve the management of the Farm Board with its reckless and useless expenditures. For the benefit of Congress and the country I will list some of these salaries, as taken from the Senate hearings before the Committee on Agriculture.

Salaries

7 members of the Farm Board (each per annum)-----	\$12,000
General counsel (per annum)-----	20,000
14 assistants to general counsel, with total salaries of-----	38,860
President and general manager of the Grain Stabilization Corporation (per annum)-----	50,000
187 employees of this corporation (per month)-----	34,039
Pay roll of Farm Board in Washington—Nov. 30, 1931 (per annum)-----	963,780
Pay roll of Farm Board in the field—Nov. 30, 1931 (per annum)-----	67,660
Vice president and assistant general manager of the Farmers National Grain Corporation (per annum)-----	32,500
Treasurer Farmers National Grain Corporation (per annum)-----	30,000
977 employees—Oct. 31, 1931 (per month)-----	195,789

Vice president and general manager of the American Cotton Cooperative Association (per annum)-----	\$75,000
Vice president in charge of sales (per annum)-----	35,000
Vice president and secretary (per annum)-----	15,000
Monthly pay roll of this association-----	70,000

I believe all will agree that these are excessive salaries to be paid with 30-cent wheat and 5-cent cotton.

Mr. Chairman, in my judgment the principal part of the bill under discussion is that portion which provides a plan for the farmers to receive at least cost of producing that part of their crops consumed in this country. The farmers are entitled to a reasonable profit in addition to this price, but the price will have to be paid on the average cost of production throughout the country. In some sections the cost is more than in other sections, but that principle of the bill is indorsed by the National Grange and the American Farm Bureau Federation. Among other recommendations in the resolutions of the National Grange, the Farmers Educational and Cooperative Union of America, and the American Farm Bureau Federation, is the following:

In securing for American farmers cost of production on those portions of their crops sold for consumption in our own Nation; nothing less is a remedy for the agricultural marketing problem.

I indorse that statement, and that is what this bill, H. R. 7797, does. It directs the Secretary of Agriculture to ascertain and make public that part of its domestic production of the major crops—wheat, cotton, wool, beef, pork, dairy and poultry products, and any other major agricultural products which are needed for domestic consumption—known as the salable part. This amount can not be purchased at less than the average cost of production, as determined and proclaimed by the Secretary of Agriculture. The bill provides that the surplus can be sold when the world price is equal to or greater than the cost of production. The bill provides a plan for purchasers to be licensed by the Secretary of Agriculture, as they were during the World War and afterwards. The sale of the so-called surplus can be arranged, if so desired, as can interchange among the farmers themselves. There had to be a start, and the bill can be amended as desired to meet the different needs. The bill also prevents speculation on the exchanges, as has been indulged in by the grain and cotton organizations under the Farm Board.

Mr. Chairman, the Department of Agriculture each year makes an estimate of domestic consumption and of surplus products of the farm. It also makes estimates of cost of production of these crops, and in cooperation with the different State agricultural departments and the county agents the act can be administered without additional appropriations. There will be none of the high and unreasonable salaries.

If this bill had been in effect last year, the farmers would have received \$1.09 per bushel for their wheat, 89 cents per bushel for their corn, 54 cents per bushel for their oats, and 16 cents per pound for their cotton.

Mr. GARBER. Mr. Chairman, will the gentleman yield?

Mr. SWANK. Yes.

Mr. GARBER. I have received numerous requests to support the bill the gentleman has introduced. I am wondering whether hearings have been held upon that.

Mr. SWANK. They have.

Mr. LANKFORD of Georgia. Mr. Chairman, will the gentleman yield?

Mr. SWANK. Yes.

Mr. LANKFORD of Georgia. If I understand the gentleman correctly, he hopes to control the matter of production by a licensing system as set up in his bill.

Mr. SWANK. The bill proposes to formulate a plan, as it states, whereby the farmers will receive at least the cost of producing that part of their crops consumed in this country.

The following table shows the production of wheat, corn, and cotton, the farm value and exports for the past five years in the United States, and the value of the total agricultural exports:

	Quantity	Farm value	Exports
WHEAT			
1927.....bushels.....	878,374,000	\$979,813,000	190,578,000
1928.....do.....	914,876,000	887,184,000	142,301,000
1929.....do.....	809,176,000	843,030,000	140,432,000
1930.....do.....	850,965,000	517,407,000	153,316,000
1931.....do.....	892,271,000	395,000,000	131,536,000
CORN			
1927.....bushels.....	2,763,093,000	1,997,750,000	14,364,000
1928.....do.....	2,818,901,000	2,119,046,000	41,387,000
1929.....do.....	2,614,132,000	2,042,893,000	9,787,000
1930.....do.....	2,081,048,000	1,378,874,000	10,280,000
1931.....do.....	2,556,863,000	920,142,000	3,317,000
COTTON			
1927.....bales.....	12,955,000	1,269,885,000	7,524,000
1928.....do.....	14,478,000	1,301,796,000	7,957,000
1929.....do.....	14,828,000	1,217,829,000	6,650,000
1930.....do.....	14,243,000	674,044,000	7,035,000
1931.....do.....	16,918,000	564,192,000	7,133,000

Value of total agricultural exports

1927.....	\$1,907,864,000
1928.....	1,815,451,000
1929.....	1,847,216,000
1930.....	1,495,164,000
1931.....	1,038,000,000

Our total exports have dwindled under our unreasonable tariff laws from the enormous sum of \$8,228,016,000 in 1920 to the sum of \$3,843,181,000 in 1930 and \$2,423,759,000 in 1931. Our agricultural exports have decreased from \$3,861,511,000 in 1920 to the sum of \$1,038,000,000 in 1931.

The Census of Manufactures for 1929 shows the cost of material to be \$38,293,534,000, the value of the products \$70,137,459,000, leaving the value added by manufacture \$31,843,925,000. This shows the great profits of manufacture and at the same time that the more the farmers produce and the harder they work the less they receive.

Mr. Chairman, we need more money in circulation, and there are bills pending in Congress that will have that effect and will also be a boon to agriculture. Trusts and combinations of capital to control prices to the consumer must be destroyed. Do these things and enact this bill, H. R. 7797, and you will bring agriculture back to where the farmers can make a living. I am a great believer in co-operative marketing, as the record will show, and this bill will strengthen this work, but I want the profits to go to the farmers themselves and not so much of their hard-earned money paid out in such high salaries.

With a wheat crop of almost the same amount in 1927 and 1931 the farm value of the crop in 1931 was only a little more than one-third the value of the 1927 crop. The corn crop in 1927 was about the same as in 1931, yet the farm value in 1927 is more than twice the value of the 1931 crop. The cotton crop of 1927 was more than 1,000,000 bales less than in 1930 and was worth twice as much. The 1927 crop was 4,000,000 bales less than the 1931 crop and the farm value was more than two times the value of the 1931 crop. Something is wrong when such conditions prevail. The table shows a reduction in our agricultural exports. We can not have an insurmountable tariff wall around the United States like we have now and have a foreign market for our farm products. One of the reasons for the present plight of American agriculture is the Hawley-Smoot tariff law enacted in the Seventy-first Congress. That law enables the American Steel Corporation, that controls the steel industry in this country, and the manufacturers to control the prices of agricultural implements. These prices are twice as high as in 1914, and in many instances more than that. The farmers have to pay the price for their farming tools because they are not organized and they have to take for their products what they can get. The farmers are the only business men who have nothing to say for what they sell and nothing to say about the prices they pay. Enact this bill and you will provide them with a living wage.

Mr. Chairman, I plead for our farmers and working people and for the small business man. With a prosperous agriculture there will be work for all at good wages, which

is necessary for the general welfare of our people. [Applause.]

Many individuals and organizations throughout the entire country have indorsed the bill.

SOME INDORSEMENTS OF BILL H. R. 7797

Farmers Educational and Cooperative Union of America; Farmers Union Local No. 340, Garvin County, Okla.; a petition of 19 farmers, R. F. D. No. 4, Wynnewood, Garvin County, Okla.; a petition of 20 farmers and business men of Lindsay, Garvin County, Okla.; a petition of 28 farmers, R. F. D. No. 1, Maysville, Garvin County, Okla.; a petition of 31 farmers and business men of Byars, McClain County, Okla.; a petition of 65 farmers and business men of Wayne, McClain County, Okla.; a petition of 16 farmers and business men of Blanchard, McClain County, Okla.; Banner Farmers Union Local No. 747, Cleveland County, Okla.; a petition of 25 farmers of Crescent Township, Logan County, Okla.; Farmers Union Local No. 280, Logan County, Okla.; a petition of 16 farmers and business men of Mulhall, Logan County, Okla.; Farmers Union, Payne Center Local No. 375, Payne County, Okla.; Farmers Union of Payne County, Okla.; Farmers Union Local No. 395, Payne County, Okla.

A letter dated Yale, Okla., February 15, 1932, from J. B. MacClain, Farmers Union special agent, said that after a round of local meetings in Payne and Pawnee Counties, Okla., he reported more than 1,000 members for the bill.

Farmers Union, Burns Flat Local No. 317, Washita County, Okla.; Farmers Union, Pleasant Valley Local No. 382, Okfuskee County, Okla.; Farmers Union Local No. 67, Okfuskee County, Okla.; mass meeting at Okemah, Okfuskee County, Okla.; Farmers Union Local No. 273, Okfuskee County, Okla.; mass meeting at Weleetka, Okfuskee County, Okla.; a petition of 11 farmers and business men of Stonewall, Pontotoc County, Okla.; a petition of 8 farmers of Sparks, Lincoln County, Okla.; Farmers Union Local No. 691, Pottawatomie County, Okla.; Farmers Union of Greer County, Okla.; Farmers Union, City View Local No. 598, Greer County, Okla.; mass meeting at Hollis, Harmon County, Okla.; the Community Builders, Carter, Beckham County, Okla.; the Forrest Hill Murray Club, R. F. D. No. 1, Howe, Le Flore County, Okla.; Farmers Union, Big Bend Local No. 10, Osage County, Okla.

Mr. SANDLIN. Mr. Chairman, I yield one minute to the gentleman from Michigan [Mr. HART].

Mr. HART. Mr. Chairman, I listened this morning with great interest to the address of the gentleman from Oklahoma on the bonus bill. In that connection I desire to ask unanimous consent to insert in the Record a telegram received from the Saginaw members of the American Legion, and include it as a part of my remarks.

Mr. KELLER. How many telegrams do you wish to insert?

Mr. HART. One telegram.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The telegram referred to follows:

SAGINAW, MICH.

L. S. RAY,

Vice Chairman Veterans of Foreign Wars,

National Legislative Committee, Washington, D. C.:

We as veterans and citizens of Saginaw, Mich., respectfully request that Senators and Congressmen of Michigan vigorously support H. R. 1 immediately.

PETER SIMON,
Commander Post No. 1566
(And 906 other signatures).

Mr. SANDLIN. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. KARCH].

Mr. KARCH. Mr. Chairman, this Nation has reached its zero hour. I do not rise, sir, in this Chamber of lawmakers to-day to exhort, but to issue a solemn warning to the rulers of this Nation.

This Chamber has just been the scene of a historic battle. The echoes of that strife are still reverberating through the aisles and corridors of this Capitol—symbol of the people's liberty.

We have just refused, in this body, to approve a measure which sought to place upon the backs of the masses all the burden of balancing the Budget.

Mr. Chairman, I warn this body that unless work is provided through proration of the available amount of employment to all the toilers of this Nation the Budget of this country will never be balanced.

Unless relief in the form of honest toil is provided for nearly 40,000,000 of our people who seem to be destitute, and thousands of whom seem to face starvation at this very hour, your task will not be to save this Nation by balancing the Budget, but it will be to save this Nation to have a Budget to balance. Those people are not destitute. They will not starve so long as this Nation stands—and are we going to balance the financial budget of human rights, Mr. Chairman, and when that is done the Budget will be easy to balance.

The press of this country—that portion of the press which is frank and honest with the people—is to-day carrying the tales of depleted or exhausted charity chests. Starvation faces thousands in this land of plenty. They shall not starve. Suffering, fear, worry, sacrifice; insufficient clothing, food, housing seem to be doing a deadly work among our law-abiding citizens.

Those citizens are not going to be driven to desperation by suffering and fear while this Government stands! If they should be faced with the grim specter of starvation while a few roll in their wealth and shut out, with velvet hangings, the sordid scenes of this night of want, what do you think those starving millions will do? I ask each and every Member of this body to search his or her conscience and to answer the question honestly: "If my family and I were starving this day and I could find no work, no charity, what would I do?"

I do not want to see my fellow citizens shot down in the streets because they are rioting for bread, and we are not going to permit such scenes, for, in this land of plenty, men do not have to fight and to die for bread. They will be given work by which to honestly earn it in orderly progress.

I do not want to see my fellow citizens turning out by thousands to hear the propaganda of communism preached to them, so, sir, we are going to restore their rights, their opportunities for honest toil, their respect for their Government, and then the seeds of communism will fall upon barren soil.

With charity funds exhausted, with a fourth winter of want and unemployment facing us after the brief coming summer, with the banks still hugging their credits in fear to their breasts, with the wealthy still fighting to put the burdens on the poor, with the rulers of this country seemingly hopelessly lost in the gloom of indecision, secrecy, and fear of the money power, what are we to do? Something must be done.

Do I alone warn you, ladies and gentlemen of the House, that something must be done? Why, Mr. Chairman, the fateful words of Mr. Justice Brandeis have scarce ceased echoing in the solemn precincts of the Supreme Court chambers above where we sit at this moment.

Hear him:

Existing conditions threaten even the stability of our capitalistic system. . . . Misery is widespread in a time not of scarcity but of overabundance.

Greed, my friends, is the most stupid, blind, unreasoning, cruel, inhuman, useless, false, and sordid of any evil emotion that claims to masquerade as the intelligence of man. It is stupid, for it does not realize that it feeds upon itself. It is blind to the consequences of its own results. It is unreasoning because of its very selfish nature. It is cruel beyond expression because it closes its eyes in smug content in order not to see the suffering it inflicts. It stops its ears in its own selfish pleasures to the wails of agony it causes.

Greed is inhuman because it does not want to know of the woe it causes. It is useless because it never brings one thrill of true happiness to the victims it uses as its tools—and we are all more or less victims of it—but it uses those who serve it, destroys them, and fills the graves of suicides.

Greed is false because it binds its victims to the fact that no man or woman possessing all the money in the world could possibly be happy, safe, or contented in the midst of millions of fellow humans who are hungry, ragged, and suffering. Happiness does not lie that way.

Greed is sordid, because it brings ruin upon all who pander to it, kills those whom it seems to bless, causes the innocent to suffer, brings its own penalties, and ends in disaster and black night for nations and men who practice it.

Greed and selfishness, Mr. Chairman, are born of one and the same emotion—fear. Fear that there will not be enough gold, enough fame, enough social prominence, enough social power, enough political honor and power, enough food, clothing, houses, and lands to supply everybody. So some mortals seem to drop all considerations of humanity, justice, the golden rule, common honesty, self-respect, sense of duty to country, to society, and to their fellow men and devote their every effort to being cowards, to grabbing every dollar and every avenue of power they can possibly secure by hook or crook without regard to ethics or to moral law.

Having accumulated more money, more goods, more power than they can possibly use, these individuals awaken to the awful fact that they are the victims of greed. Like some deadly, enslaving drug habit, fear drives them on and on, while greed feeds upon them and becomes drunk with its own seeming power. And, my friends, the only possible antidote, the only possible way in God's world for those victims of greed to be cured is to begin giving—giving to their fellow men—to begin to have some regard for their fellow humans, to begin to think about the welfare of their country, to find their security and their happiness in the security and the happiness of their brothers. If they do not do this, utter misery is their portion until they do.

The Apostle Matthew tells us, Matthew vii, 20, that false teachers and leaders are to be known by the fruits of their teachings. The fruits of the teachings and the leadership of these czars of finance and these emperors of industry whose greed has resulted in the seeming concentrated control of wealth and power are the present depression, with its train of unemployment, hunger, crime, fear, suffering, and the peril to this Government.

This whole miserable situation, Mr. Chairman, is the result of financial and industrial cowardice and greed, political cowardice and greed, and we find the very men who were used by this fear and this greed, and who, therefore, are responsible for the fruits thereof now crying that it is not they but the people—the masses—who are, through fear and hoarding, causing the panic.

These leaders have for 30 years, through both political parties, been telling this Nation that they should be allowed to control business, industry, government. We have allowed them to do it, and they have brought us to this tragic hour of hunger, suffering, and national disaster.

And as they still rush to raid the Treasury for the relief of banks, railroads, for the relief of everybody but the poor and needy, Mr. Chairman, these false leaders shriek in their fear that nothing must be done by the Government for the masses; the "block system" is the thing; let the poor take care of the poorer while the wealthy go to Florida where they can not be bothered by charity gatherers. Eighty-seven per cent of all the charitable funds contributed in this country, Mr. Chairman, are contributed by the wage earners.

At this point, Mr. Chairman, I wish to call to the attention of this House the sad story of Dives and Lazarus:

There was once a man who was rich, and arrayed himself in purple and fine linen, and who every day lived in pleasure and luxury; and there was a beggar, named Lazarus, who, covered over with sores, was laid before his gate, and he longed to be fed with the broken pieces which were thrown from the rich man's table; but, instead, the dogs came and licked his sores. By and by, however, the beggar died, and he was conveyed by the angels to Abraham's bosom. The rich man also died and was buried. And in the spirit land, being in torment, he looked up and saw Abraham afar off, and Lazarus in his bosom. And, shrieking out, he said, "Father Abraham, have pity upon me and send Lazarus to dip the tip of his finger in water and cool my tongue, for I am in torture in this flame!"

"Son," said Abraham in reply, "remember that you exhausted your pleasures during your lifetime, and Lazarus in the same way

his suffering, but now here he is comforted while you are agonized. Besides all this a huge chasm lies between us and you, so that those who might desire to go from here toward you can not do so; neither can they come to us from where you are."

"Then I beg of you, father," replied the other, "to send him to my father's house, for I have five brothers, that he may also entreat them, so that they also may not come into this place of torment."

"They have Moses and the prophets," replied Abraham, "let them listen to them."

"Not so, Father Abraham," was his answer, "but if some one would go to them from the dead, they would change their minds."

"If they will not listen to Moses and the prophets," was his reply, "neither will they be persuaded even if one were to rise from among the dead." (Luke xvi, 19 to 31, inclusive.)

Mr. Chairman, every one of our financial, industrial, and political leaders has known and knows now what ought to be done; but the same fear, the same cowardice that produced this crisis seems to have so gripped those leaders over the results of their false teachings that they have not the courage to do what they know is the right thing to do.

That same fear, that same cowardice would continue to cower behind the moneybags, the bank grills, the political smoke screens until starving men, women, and children should fall at the very gates of the rulers and of those Dives if we were to permit it.

Every Member of this body knows deep down in his heart what must be done, and I believe we have the courage to do what the czars of finance, the emperors of industry, the Pharaohs of politics, and the Dives of this country fear to do; that is, to take this situation in hand, disregard political expediency, campaign chests, and personal fears, and act to save this Nation.

My colleagues, you have the vision, the courage, the love of your fellow men, and the high ideals of government and human fellowship to do this. We can do it. It must be done.

I condemn no man because he is wealthy, Mr. Chairman, but I do condemn the greed which leads such men to cling to their wealth while their fellow men hunger. I condemn no man because he has power, Mr. Chairman, but I do condemn the selfishness which causes him to use that power for his own purposes to the injury of his fellow men instead of well and wisely for the good of his fellows as well as of himself.

But I warn this body that unless we get back nearer the precept of the Golden Rule the ruin of this Nation is sure and certain.

I want to warn the wealthy of this country that no matter how they may try to close their ears to them, the precepts uttered by the Man of Galilee from the slope of a mount nearly 2,000 years ago are still the same living, inescapable truths to-day they were then. They have always been true. They always will be true.

"Blessed are the merciful, for they shall secure mercy." And he who, wallowing in his wealth, closes his eyes to the suffering and the want in this country would find no mercy should the pent-up rage of a trampled people break forth.

"Blessed are the kind-hearted, for they shall inherit the earth." But I warn those to think to find happiness and security in the power that money seems to bring, in the luxury that they revel in, that they shall inherit—and not that before long—not the earth, but woe and misery unless we cease to harden our hearts to the pleas of the multitude of millions of hungering, suffering, ragged, and starving to give them work by which they can earn food and clothing.

Mr. Chairman, we will never balance the Budget, we will never stabilize this Nation, peace and security will not again hover over our people until we have scourged want and worry from this land by providing work for those who are willing to toil for their bread.

The time has passed—too long passed—when we can cure this danger-fraught situation with false words, false promises, false gestures. We have got to get down to fundamental facts, to action based on justice instead of on special privilege; to action based on courage instead of on fear of the frowns of wealth; to statesmanship based on human values instead of on political expediency and the desire for

the favor of the money power if we are to save this Nation in the crisis it faces.

Are we facing in this crisis a situation heretofore unknown to the world, Mr. Chairman? Are my strictures on greed too stringent, and are we to look to some new condition in the affairs of the human family upon which to lay the blame for this tragic situation which faces us? Listen, then, to this:

Let me say in conclusion that it is not the small offenders and it is not the common people who destroy the institutions of government anywhere, but in all countries, in all times, and in all nations it has been the unscrupulous and the dishonest rich, and the professional and semiprofessional class that courts this favor, who destroyed the institutions of their country. It is the class that clothe robbery with respectability, bribery with pretense, and corruption with patriotism.

Does that sound like it is spoken to-day of the conditions we have found revealed to us within the past three years? Well, Mr. Chairman, those words were spoken by former Gov. John P. Altgeld, of Illinois, 32 years ago.

Let me remind you, my countrymen, that neither the poor people nor the great toiling masses of the earth have ever destroyed a government. All the great governments and institutions of the past were destroyed by the rich and powerful, who shut their eyes to injustice, and, through selfish greed, inaugurated policies that pulled down the pillars of state, and while thus engaged in bringing ruin upon their country they made a Pharisaical pretense of patriotism. These things are happening now in our land.

Is that spoken here to-day of present conditions by me? Mr. Chairman, that pronouncement was made 33 years ago by former Governor Altgeld. Was his vision prophetic? Was his vision of the forces of destruction at work on the foundations of our Government too radical?

And I solemnly warn the wealthy that, despite whatever they may think of their security, if constructive, humane action is not taken to relieve the situation in this Nation, their wealth is going to be a curse unto them. The power they have so selfishly wielded for their own profit will turn upon them to rend them. They will have built for themselves another Frankenstein. It will not mean much, my friends, to be a Member of this Congress if we do not act and act soon.

I say to you that the people of this country will not, can not be subjugated by gold! They can not be reduced to a miserable serfdom by the will of greed and the power of money.

The liberty of this free people is not the property of politicians to barter for the favors of the rich.

The happiness of this free people is not the chattel of the rich to be bartered for the fleshpots of luxury for the few.

Why, Mr. Chairman, there is just as much money in this country as there ever was. Where is it? There is just as much food, clothing, land, power of production in this country as there ever was. Where is it? There is just as much credit in this country as there ever was. Where is it?

What has become of all these elements of happiness, health, and plenty for our people? They have been hoarded by the few, sir. They have been garnered into the storehouses of greed, and unless they are released, unless the resources of this country are permitted by those who hoard them to flow for the good of all, those storehouses are going to be looted, those misers are going to be riven by the wrath of a hungry and angry people. And we are not going to permit this tragic situation to come to that pass, Mr. Chairman.

Let no man mistake the long-suffering patience of a law-abiding people for crass cowardice, sir. Mark you, the man who makes that mistake too long will pay an awful penalty for his folly!

The laws of right are eternal laws,
The judgments of truth are true.
My greed-blind masters, I bid you pause
And look on the work you do.
You bind with shackles your fellow men;
Your hands with his blood are wet.
And the God who reigned over Babylon
Is the God who is reigning yet.

The Members of this body and of the Senate can not be blind to the protests which are pouring into their offices from their people. If the Dives are willing to draw the velvet at their windows, loll amid the cushions of their luxuries, blind and deaf to the forces that are gathering, let us not be. Let us who scan the face of the skies also be wise and read the signs of these times aright. We hear the rumble. We sense the mounting resentment of a suffering people; and let me warn you that the will of that people aroused is a terrible thing to contemplate.

This whole miserable, sordid, dangerous condition has come about because our leaders and our rulers seem to have abandoned any and all pretense of the Golden Rule. At the root of every revolution has been the canker of a great social wrong. How the money czars and the industrial emperors of this country could be so stupid and blind as they have listened to the clatter of falling crowns and scepters throughout the world during the last 15 years is to be explained only by the fact that greed and lust for power blind their victims and make them not to hear.

It has become evident, Mr. Chairman, that the administration intends to wait and to keep on waiting. For what? It is now up to the thinking men and women of this Congress, irrespective of party or place, to act as a unit in relieving this condition which confronts this country in its hour of peril or we will all live to rue the day we failed in our duty.

Why, Mr. Chairman, it is not possible and it is not true that the civilizing influences of 2,000 years of Christianity should be abolished in 15 years by the will of a greed-minded few.

It is not possible and it is not true that the unreasoning greed which seems to be power shall hurl this civilization from its place in the consciousness of men and replace the Golden Rule with the law of the jungle.

It is not possible, Mr. Chairman, that we who make the laws can be so blind we will see that the very structure of law and social amity demolished by the will of less than the one-hundredth part of our people—a few who are willing to be used by greed and selfishness.

And, whether you believe it or not, men and women of this House, the last people in the world who want to see this Government go down are the very ones who have the most of worldly possessions in this country. Where would their Liberty bonds and their other tax-exempt securities be, Mr. Chairman, if this Government should fail its people? Why, sir, they would not be worth their weight as waste paper. So any talk, any threats that if we do not heed the demands of these czars of finance and these emperors of industry they will let this country crash is the bluff of greed. The day this Government should crash, that day would the empire of wealth and the kingdom of industry crash, the wealth of the very greed that threatens such a thing would disappear.

God reigns, Mr. Chairman, and right is still mightier than riches. Humanity is still of greater value than much gold. Good will toward men, justice to all, mercy for the suffering, regard for the rights of men—just a grain, Mr. Chairman, of the essence of the Golden Rule will banish this gaunt specter of want and woe and peril for our people if we will but see.

I can not and I will not believe, sir, that we will longer dally with words and quibble with phrases while our people sit in the highways begging for work, for bread.

Let us strike the blindfold of false power from our eyes and see clearly. Let us have done with financial voodooism and go back to the paths of sanity and justice. Let us put behind us every temptation to pander to the false power of gold and turn to the real power of good government. We must do it, Mr. Chairman, and I believe we will do it; for, after all, in the heart of every man, far down below the love of self and pelf, lies the divine spark of human kindness, of humanity for man.

So let us then awaken; let us face this crisis; let us refuse longer to be blinded by false values; and let us, without delay, move to force the rulers to restore the balance, the

peace, and security of this Nation by constructive economic action.

Mr. HOLADAY. I yield five minutes to the gentleman from Nebraska [Mr. BALDRIGE].

Mr. BALDRIGE. Mr. Chairman, I have asked for five minutes to fully explain a bill that I introduced yesterday in regard to the Federal Farm Board and the handling of wheat.

Senator GORE introduced a bill which contained two fundamental ideas: The first was that wheat should not be sold at a price less than 81 cents on the market. The second part of his bill, in my estimation, is an attack on the Farm Board, which would cripple the Farm Board to such an extent that it could not exist.

I do feel that if there is an attack on the Farm Board it should be made an out-and-out attack and not an attack through the back door.

I think the fundamental thing is to have the Farm Board get rid of its wheat. When the Farm Board was first established the sole purpose was to export the surplus wheat. That was the only reason for the Farm Board to buy any wheat. Instead of doing that the Farm Board has taken the wheat and stored it all over the country. At the present time they have 154,000,000 bushels.

In my bill I have made it compulsory for the Farm Board to export this wheat and not to allow them to sell it in this country, unless at a price of 81 cents or better.

Mr. MAY. Will the gentleman yield?

Mr. BALDRIGE. I yield.

Mr. MAY. Can the gentleman tell us what the cost per bushel per year of storage and preservation of this 150,000,000 bushels is?

Mr. BALDRIGE. Yes. On November 1, 1931, the Farm Board had lost because of the drop in price of wheat they had purchased and on account of the storage charges, \$110,000,000. I can not tell you how much a bushel it amounts to, but that is the figure. Storage, I believe, amounts to 18 cents a bushel.

That information is taken from the hearings. To-day the Argentine is selling between 6,000,000 and 7,000,000 bushels of wheat a week on the foreign markets. If our Farm Board should take the surplus wheat and sell it on the foreign markets, five or six million bushels a week, within six or seven months we would be rid of our surplus wheat. They would have to take a loss to do that. The loss would be approximately 20 cents a bushel in addition to the loss they have already taken on 150,000,000 bushels. Therefore the loss would be \$30,000,000 which they would have to take in addition to what they have taken.

Why has not the Farm Board done that before? The reason is that they are afraid of investigation by the Senate or by the House, and they do not want to be called upon to defend a loss.

The only sensible thing for the Farm Board to do is to take the loss; and if they take the loss under the authorization and by the direction of Congress, then there can not be any trouble and there can not be any fear on the part of the Farm Board of an investigation.

If we could get rid of this surplus wheat in six or seven months, think of what it would do toward helping the farmers.

The Farm Board started out with an attempt to take care of surplus wheat for three years. They stopped in the middle of the 1931 crop because they found that they could not handle it. The Farm Board should complete that transaction. They started out to take the surplus wheat, and they should carry it out.

There is to-day an additional 150,000,000 bushels of wheat held by the farmers on the farms. The Farm Board has \$90,000,000 to-day. If they would take that \$30,000,000 loss on the export of wheat, as I have just explained, it would still leave them \$60,000,000.

With that, and with the money they could get from the banks and the Reconstruction Finance Corporation, they could buy the wheat that is now held on the farms and export that wheat. They must not sell any more wheat on our

present-day market, because when they do so they place a blanket which will absolutely cover the whole country on the price of wheat.

Mr. LUDLOW. Will the gentleman yield?

Mr. BALDRIGE. Yes.

Mr. LUDLOW. The gentleman made some inquiry a while ago as to what the wheat is costing in storage. It was developed in the testimony before the Agricultural Committee that it is costing 18 cents a bushel per annum.

[Here the gavel fell.]

Mr. HOLADAY. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. MAY. Will the gentleman yield?

Mr. BALDRIGE. Yes.

Mr. MAY. Can the gentleman tell us how long this wheat has been in storage up to this time?

Mr. BALDRIGE. The Farm Board started to buy wheat—I think about two years ago. Of course, they have been selling wheat but selling it on our own market. The other day, in Kansas City, there was a large purchase of wheat coming up. Our farmers in Nebraska and in the Middle West were anxious to make that sale, but the Farm Board came along and sold it, and that put a damper on the whole situation. They should sell that wheat in European markets. They must get rid of this surplus, and the only way to do it is to take a courageous stand and realize that we must take our loss. A \$30,000,000 loss on wheat is undesirable but it would jump wheat 20 cents a bushel, and \$30,000,000 would be a very small loss when you compare it with what would happen in this country if wheat would advance 20 cents a bushel.

Mr. MCGUGIN. Will the gentleman yield?

Mr. BALDRIGE. Yes.

Mr. MCGUGIN. Does the gentleman's bill also authorize the Farm Board to sell this wheat abroad on credit?

Mr. BALDRIGE. No. There is nothing like that in the bill. There is no provision in the bill for credit. The bill simply provides that the Farm Board shall be compelled to sell wheat abroad.

Mr. MCGUGIN. Let me suggest to the gentleman that if we are going to get rid of this wheat abroad we must sell it on credit. I am advised that the Farm Board has already passed one sale to Greece because they could not extend credit.

Mr. BALDRIGE. I will say to the gentleman that the Argentine is now selling 6,000,000 or 7,000,000 bushels of wheat every week and getting cash for it.

Mr. LUDLOW. Will the gentleman yield further?

Mr. BALDRIGE. Yes.

Mr. LUDLOW. Carrying out the gentleman's thought, every three years the wheat that is in storage eats itself up in storage and interest charges.

Mr. BALDRIGE. The gentleman is correct. I think that is the solution of this wheat situation. Make them get rid of it no matter what loss they take. If the statement goes out that the Farm Board will sell no more wheat in this country and will still buy the surplus on the farms, then watch what happens to the price of wheat, and when the price of wheat goes up the price of corn, hogs, cattle, and everything goes up.

Mr. ARENTZ. Will the gentleman yield?

Mr. BALDRIGE. Yes.

Mr. ARENTZ. Is it not wrong to advocate the selling of this wheat at any price and then ask the Farm Board to step in and buy more wheat, so that they can hold it over the American producers? If the Farm Board is to get out of it at all, it should get out of it altogether.

Mr. BALDRIGE. The trouble is that we have approximately 150,000,000 bushels of wheat held on the farms of this country. The Farm Board promised to step in and take the 1929, 1930, and 1931 crops. They stopped in the middle of the 1931 crop. They should complete that transaction and then sell that wheat out of the country.

Mr. ARENTZ. And then still hold that as a threat over the American producers?

Mr. BALDRIGE. No. That would not happen, because they would not sell any wheat in this country.

Mr. ARENTZ. I am not talking against the Farm Board, but in view of the surplus wheat now on hand, it would seem to me that if the Farm Board purchased 150,000,000 bushels in addition, the sword of Damocles would be held over the heads of the American producers, and that sword might drop at any moment. In addition to that, it seems to me that the price of wheat would be depressed to a further extent.

Mr. BALDRIGE. The gentleman may be right. But what I am insisting through this bill is that the Farm Board shall sell this wheat in foreign countries and not in our own country, and the 150,000,000 bushels of wheat still on our farms should be sold in foreign countries.

Mr. MANLOVE. Will the gentleman yield?

Mr. BALDRIGE. Yes.

Mr. MANLOVE. I appreciate the gentleman's remarks and his proposal to dispose of surplus wheat now in the hands of the farmers of this country. It seems to me the Farm Board is not to blame for stopping their purchase of last year's crop right in the middle of it, as the gentleman has suggested, but that they did so simply because of the avalanche of dissatisfaction that was raised by reason of the fact that they were taking that crop of wheat. I will ask the gentleman if there is much encouragement for the Farm Board to go out and buy another crop of wheat in face of the disappointment they met at the hands of the people in buying and holding up the market on last year's crop.

Mr. BALDRIGE. The only reason I mentioned that was because they promised the farmers to buy that wheat. This bill does not compel the Farm Board to buy this wheat. The only thing this bill compels is the exporting of the wheat, and in my remarks I mentioned the fact that personally I think they should complete the transaction and pick up the 1931 crop; but that is not necessary, and I think the Farm Board and the Congress are the ones to decide that question. That is not a part of my bill.

My bill does only two things. It first carries out the purpose of the Gore bill, which provides they shall not sell wheat in this country under 81 cents, and then whatever wheat they have here they must export to European countries.

Mr. MANLOVE. May I say to the gentleman I believe the Farm Board would be glad to carry out that program, provided they were not faced with so much discouragement on the part of the people generally throughout the country.

Mr. SHALLENBERGER. Will the gentleman yield?

Mr. BALDRIGE. Yes.

Mr. SHALLENBERGER. Does the gentleman propose that this purchase of the 1931 wheat shall be at the market price or at a price fixed by the board? In other words, are they going to benefit the farmer by raising the prices, or are they simply going to take the wheat off the market?

[Here the gavel fell.]

Mr. HARDY. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. BALDRIGE. Let me make this statement: I feel that if the Farm Board issues a statement that there will be no more wheat sold in this country unless the price reaches 80 cents and that they will start to export five or six million bushels of wheat a week, the price will then jump 20 cents, and from 60 cents the price will be around 80 or 81 cents a bushel, and when it reaches 81 cents a bushel, then they can start to sell in this country. Eighty-one cents a bushel is the figure in the Gore bill and that is why I put it in my bill.

Mr. SHALLENBERGER. I think the gentleman is quite correct in stating that the wheat can be sold for cash if they will take the market price.

Mr. BALDRIGE. Yes.

Mr. SHALLENBERGER. Wheat is the one thing that there is always a cash market for in the world market at a cash price. Of course, if we want to establish a different

price, then we have to make terms, but it can always be sold for cash.

Mr. BALDRIGE. Let me close by making this statement.

Mr. MANLOVE. Will not the gentleman get more time because he is making a very constructive argument?

Mr. BALDRIGE. I do not care to ask for any more time, because I have had more than my allotted time.

I want to close by making this statement: This is not an attack on the Farm Board. This question has been talked over with the members of the Farm Board. I have not the privilege of saying how they feel about it, but I do not think they can possibly come in and object. This is a compromise measure to meet the Farm Board situation and to meet the farmer's situation. It is a reasonable, logical thing to do. We should take our loss and get rid of the wheat. If we have made a mistake, let us take the punishment and wipe the slate clean, and that is what this bill seeks to do, and I hope the chairman of the Committee on Agriculture, the gentleman from Texas [Mr. Jones] will give us a hearing on this measure.

[Here the gavel fell.]

Mr. MANLOVE. Mr. Chairman, I would like to ask that the gentleman's time be extended two minutes.

Mr. HARDY. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. MANLOVE. I can assure the gentleman we are all very much interested in his argument. The gentleman proposes that the Farm Board shall export wheat at the rate of five or six million bushels a week, or whatever can reasonably be absorbed in the foreign market.

Mr. BALDRIGE. Yes.

Mr. MANLOVE. The proposition that presents itself to me is whether or not the exporting of that wheat to the foreign market, Liverpool, for instance, might not in itself create such a further congestion in the market as to reflect on our market at home practically to the same extent as if the wheat were sold in the American market. Can the gentleman give us the relative prices in the foreign market and in the home market and give us any assurance that such exportation of American wheat would not act as a deterrent on the price, similar to the way in which it would operate if the wheat were sold here?

Mr. BALDRIGE. The best way I can answer the gentleman is this. Of course, nobody knows what effect this will have on the foreign market. The wheat people say that five or six million bushels of wheat marketed in this way will not upset the market. When I say the wheat people, I mean the wheat people I have talked with, who know their business.

The answer to the second part of the gentleman's question is that the Liverpool price at the present time, as I understand, is about 20 cents below our price in Chicago. This is why I said that if we would ship our wheat abroad, we would take a 20-cent loss in addition to what they have already lost, and a 20-cent loss on 150,000,000 bushels of wheat would be \$30,000,000.

Mr. MANLOVE. I thank the gentleman.

Mr. PARSONS. Will the gentleman yield?

Mr. BALDRIGE. Yes.

Mr. PARSONS. What is the price of wheat in France and in Germany?

Mr. BALDRIGE. I am sorry, but I can not answer that question.

Mr. PARSONS. It has been generally reported that it was \$1.76 and \$1.86 a bushel last year.

Mr. STRONG of Kansas. But they have a much larger tariff over there than ours.

Mr. BALDRIGE. Their tariff is really what controls that price.

[Here the gavel fell.]

Mr. HARDY. Mr. Chairman, I yield five minutes to the gentleman from Kansas [Mr. Strong].

Mr. STRONG of Kansas. Mr. Chairman, I want to discuss the matter of having negotiable instruments that pass through banks accompanied by documents of title to real or personal property given a preferential status.

On December 8 I reintroduced a bill which I introduced in the last Congress, being now bill H. R. 48. Some of you may have received letters from your shippers in favor of this bill. It reads as follows:

Be it enacted, etc., That upon appointment of a receiver of any national bank the transferor of a negotiable instrument transferred to such bank for collection shall be a preferred creditor in the amount of the liability of such bank, if such negotiable instrument (1) is drawn against the delivery of an accompanying document of title relating to real or personal property; (2) has been transferred to such bank after the enactment of this act; and (3) has been collected, either in whole or in part, by such bank. The provisions of this act shall not apply to any case where the transferor is a depositor in the bank and the proceeds of collection have been credited by the bank to his accounts.

Mr. LUDLOW. Is this the same bill that the gentleman introduced in the last Congress?

Mr. STRONG of Kansas. Yes.

Now, from my State and some other States I have had letters from those who have shipped carload lots of potatoes, apples, melons, grain, or other products and who are in the habit of accompanying those carload-lot shipments by a bill of lading attached to a draft that is sent those who have contracted to purchase the same.

For instance, a man selling potatoes in Michigan to a party in Kansas. He does not know the party except that the man is willing to pay the price for the potatoes when delivered. He draws a bill of lading, attaches a sight draft, and gives it to his local bank. The local bank sends it to the Kansas bank and the Kansas bank makes the collection and then closes its doors before payment is made the shipper. Now, under the present law, if the bank does not pay out, the shipper loses the potatoes. The bill of lading of this car has been delivered, and the man to whom they were shipped has paid the bank. The bank fails, and the proceeds of the car of potatoes are held to be the assets of the bank.

When the bill of lading was delivered that carried title to the car of potatoes, if the man had drawn out the money from the bank and then passed it back across the counter to pay the sight draft, he would have been a preferred creditor, because the decision of the court is that assets of the bank were increased by the amount of the collection. But that is never the way this is done. The bank in Kansas receives the draft and bill of lading attached, and it calls up the party to whom the potatoes are shipped and says, "I have a sight draft against you of so much," and the man who received the potatoes says, "All right; I will come over and fix it up." He does so, and writes out a check for the amount, say \$250, on his account in this same bank and gives it to the banker, and the banker charges his account. He leaves it there as funds belonging to the shipper in Michigan; but if the bank fails, the receiver steps in and says, "The assets of the bank have not been increased; you have taken a check for it, but the same funds are there," whereas if they had issued the check and taken the money and then put it right back in the bank, that would have increased the assets of the bank.

Mr. LUDLOW. The services of the bank are simply the services of a collector.

Mr. STRONG of Kansas. Absolutely so. Yet all over my country they have been shipping goods in that way, and found out that they have lost their property.

[Here the gavel fell.]

Mr. HARDY. I yield to the gentleman five minutes more.

Mr. GARBER. Will the gentleman yield?

Mr. STRONG of Kansas. I yield.

Mr. GARBER. I shall be glad to support the gentleman's bill. I think it is a good amendment to the law in relation to transactions of this character.

Mr. STRONG of Kansas. It is simply an outrage that the proceeds of goods shipped by a noncustomer of the bank should be counted as the assets of the bank that acts as a collector. The man in Michigan never saw the party to whom he sold the potatoes, and never had any business relations with him except through the shipment of the carload of potatoes, was not a depositor of the Kansas bank and simply used the bank in Kansas as a collector.

Mr. HARDY. Will the gentleman yield?

Mr. STRONG of Kansas. I yield.

Mr. HARDY. I wish to say that I have had more inquiries about this bill the gentleman speaks of than any other bill before Congress, except perhaps tax questions and the bill authorizing the payment of the soldiers' adjusted compensation. A good many business men have written me who have been stuck by the failure of the bank before they received the proceeds.

We ship out of Colorado to near-by States, and we know that a good many banks have gone broke. I can not understand why the gentleman, with his large influence in the Committee on Banking and Currency, can not get the committee to take the question up and have a hearing on it and bring it before the House.

Mr. STRONG of Kansas. I took it up and had a hearing last year. I expected the Comptroller of the Currency, of course, to support the bill; but, unfortunately, he told me that he could not do so, although the bill was drawn with his approval, so far as its phraseology is concerned. He is opposed to the principle of the bill, I believe, simply for the reason that he wants to hold in the banks all the possible proceeds from any source that he can in order to increase the amount to be distributed to depositors. That is natural and I do not blame him for that so much, but here we have made it impossible for the banks to be safely used as a collecting agency. A man now, to be safe, has to ship his goods and draw through the express company.

A man wrote me from Florida that he had sold real property for a thousand dollars and had sent the deed with a sight draft attached to a bank, as requested by the man who was buying the property. This man paid up the thousand dollars by giving a check on his own funds in the bank. The bank failed before it remitted the funds, and the man who sold the property never got a cent. That is not just. It does not promote commerce between the States; it hinders commerce. We all know that our commerce is over 90 per cent between the States and that the remainder only is foreign commerce. We ought to protect the 90 per cent of commerce between the States. Of course, if we pass a bill guaranteeing bank deposits, such a bill may not be necessary.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. STRONG of Kansas. Yes.

Mr. LUDLOW. If it is any comfort to the gentleman, I might say that I have received letters from many of the leading business firms from my city and State strongly in support of this bill, and I think it is founded on sound principles and ought to pass.

Mr. STRONG of Kansas. I thank the gentleman. I have never sent out any propaganda about it. I introduced the bill at the request of different organizations of shippers who are selling goods and shipping them to distant points and have tried to protect the proceeds by drawing a sight draft with a bill of lading of the car containing the goods shipped attached. I have not asked a single one of them to send out any propaganda. I am going to ask the chairman of the Committee on Banking and Currency as soon as the pressing legislation pending before our committee is over to report out this bill, and then I ask you all to get behind it and write it into the statute and protect the shippers in my State and in your State who sell goods and who want to sell them in other States to people he does not know by permitting him to protect himself by shipping them, drawing a sight draft with a bill of lading attached carrying title to the goods.

Mr. MORTON D. HULL. Under what authority can Congress legislate on paper of that kind?

Mr. STRONG of Kansas. Because it has authority over national banks and interstate commerce.

Mr. MORTON D. HULL. The gentleman is legislating in respect to commercial paper?

Mr. STRONG of Kansas. When a bank takes a sight draft with a bill of lading attached carrying title to property and collects the proceeds of the draft and fails to remit the same before failing such funds should be preferred. I have one case in the last month where a bank held the

money for five weeks and then failed and the man lost his money.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. SANDLIN. Mr. Chairman, I yield five minutes to the gentleman from Montana [Mr. EVANS].

Mr. EVANS of Montana. Mr. Chairman, there is pending in the Committee on Ways and Means House Joint Resolution 314, introduced by myself, providing for an import duty of 5 cents per pound on copper, to which I invite your attention; other similar bills are pending, and there is now under consideration in the Senate a bill that has already been approved by the House of Representatives which provides that the United States Tariff Commission shall investigate and ascertain the difference in cost of production of foreign and domestic articles placed in competition with one another in the markets of this country. The bill further provides that if such an investigation shows that the difference in cost of production is not equalized by a duty imposed on a given competing foreign article the commission shall then report that fact to the President and to Congress with the recommendation that such duty be imposed.

Every item in a tariff bill should be judged on its individual merit and not with the log rolling tactics so common in the preparation of tariff measures in the past. The pending tariff measure contains provisions which make possible such procedure. Sincere friends of the copper industry in the United States feel that such a policy is eminently proper and are confident that if the copper industry is judged on such a basis it will be awarded the benefits of protection from relentless foreign competition which have been bestowed by the Congress in the past on industries which merited it far less, if, indeed, at all.

As a result of long and minute investigations into all phases of the subject western Members of Congress, together with other citizens vitally interested in saving the copper industry from disintegration, have arrived at the conclusion that but one avenue presents itself by which a solution of the problem favorable to the domestic industry can be achieved. This is through the medium of a tariff on the metal. Consequently, there are to-day pending before the Congress several bills, any of which if enacted into law would place a tariff on imports of copper.

If this tariff duty is levied, it will simply result in American copper, mined and smelted by American labor and transported by American carriers, being used by American manufacturers in fabricating wares for the American market instead of the present condition whereby raw copper, produced in foreign lands by underpaid foreign labor, is often used. The manufacturers of the finished product wrought from copper are protected by tariff imposts which makes it no more than fair that those who produce the basic red metal itself should be afforded similar treatment. Such a plan, which also provides for a 5-cent tax per pound on copper articles actually imported, is not a measure which would result in an embargo on foreign copper. It is estimated that a 9-cent per pound tax would be necessary before such a denial of importation would ensue. It is interesting to note that the contemplated tariff would result in revenue accruing to the Federal Government to the extent of at least \$10,000,000 per annum.

American producers could expand their activities, supply the home market, and compete in the world market with any surplus that might be built up by increased activity. It would also make possible the profitable working of such domestic mines which the high cost of production, low grade of ore, and low price of the metal now forbids.

Even if foreign competitors induced their Governments to levy tariffs in retaliation, the effect upon selling any surplus we developed abroad would be negligible by virtue of the fact that the foreign markets for copper are not those of foreign producers, and no nation which is not itself a producer of the metal would raise such a barrier at the peril of its consumers.

At present, or under any scheme of restricted output arrived at among the international magnates controlling

production, the idea of a need for dumping our surplus abroad is fantastic. To the contrary, copper produced by indentured African labor and South American peon labor is being dumped in our market, stagnating our industry and giving birth to bread lines, with their consequent deplorable correlaries.

During the past two years the chief producers of copper in the world have unsuccessfully attempted to perfect an agreement whereby all the principal fields would restrict their output. Such a combination in artificially restricting production would result in the surrender of part of the American market to foreign producers and would in substance maintain the status quo, with all its unenviable effects on capital, labor, and the general public in this country. Our production of copper has steadily dropped from 65 per cent of the world production in 1916 to 40 per cent in 1930. Such restriction of production would render our mining conditions only more chaotic, which is patently undesirable when 75 per cent of the industry is already inactive.

According to the United States Department of Commerce, the United States in 1929 became an importing nation in so far as copper affected by the proposed tariff is concerned. In 1927 we exported 128,399 net tons, in 1928 we exported 110,850 net tons, in 1929 we imported 54,322 net tons, and in 1930 we imported 94,487 net tons. Thus the balance in trade in copper has turned against us while the number of our miners and smelter men have been reduced.

Destruction of the copper industry, for years one of the major industries of the United States, would mean that new "ghost cities" would appear in the copper-producing areas. Cities like Butte, Jerome, Globe, and Anaconda would have little excuse for existence were it not for the copper industry. Should it be destroyed, countless millions of dollars invested, not only in the mines and their related works but in small businesses, homes, public buildings, roads, streets, and so forth, would be counted lost. Thriving mining cities would become deserted camps, of value only for curious tourists and writers for Sunday newspaper supplements. Inhabitants of these cities, deprived of their livelihood, would perforce bundle their belongings up and depart for other fields of endeavor, thus increasing the already flooded labor market in other industries. Entire States would find their machinery disrupted and their means of maintenance and normal growth impeded if not altogether destroyed. As most finished products manufactured from copper are at present protected, a tariff on the metal itself would not result in raising the cost of manufactured articles to the American consumer. To-day there exists no serious competition on our market by foreign manufacturers in the field of articles made from copper.

Opposition to a copper tariff comes from two sources: Foreign producers seeking to capture our market with their cheap copper, and American owners of copper mines in foreign lands profiting because of low production costs and rich ore selfishly, and at the expense of their fellow countrymen, insist that no such bill become law. Many of these latter, or strong protectionists in other instances, regularly exert their influence in favor of tariffs on many sorts of articles, particularly those fabricated from raw copper.

The entire theory of protection is faulty if it does not apply to copper. All American industries should enjoy the usufructs flowing from protection or none. Favoritism by legislation renders a body blow to continuance of the system of government which employs it.

Too often the same financial interests which control American copper mines are found to also control foreign mines. Sometimes the temptation for increased profits results in closing of high cost of production mines in this country and operation of the low cost of production mines abroad. It is ironical that this results in some instances to-day in profits wrung from the foreign low-cost-of-production mines being used, in part, as a dole issued by the international producers to sustain those thrown into the ranks of the unemployed in this country.

The domestic ore is generally termed "low grade," and many of our mines have been closed in recent years because

of this fact. Our average of 23 pounds to the ton discloses as much as any other one factor the cause of our ruinous position in the copper-producing world when compared with African ore running as high as 83.4 pounds to the ton, with South American ore running as high as 41 pounds to the ton, or with ore such as is produced in the new fully equipped Frood mine in Canada, which, aside from running 88 pounds to the ton in copper, produces, in addition, 44 pounds of nickel and \$4 worth of gold, silver, and platinum to the ton.

Suspension of activity in the copper industry results in curtailment and in some cases of shutdowns of allied industries. For example, the lumber industry. In Montana a huge percentage of the lumber produced in our woods and sawmills is used as timbering and for other purposes in our mines. When the mines are not in operation, or when their work is below normal, this fact is reflected in a corresponding degree in the lumber industry. Consequently, when mines are closed and miners are laid off, we find lumberjacks and mill workers out from the pay rolls, and railroad workers, smelter men, electricians, and workers in scores of other trades are affected adversely. Business men see sales reduced and farmers have no market for their produce. Thus, in States in which the population is small and copper mining is the principal industry, conditions disadvantageous to that industry work hardships on the entire citizenry and throw the economic machine completely out of gear.

The Federal Government, States, and municipalities are experiencing great difficulty in collecting sufficient taxes to balance their respective budgets. Huge public debts are being piled up, and no man can truthfully say how and when these obligations can be met if the ailing major industries, interlocked in their economic interests, are not revived. This condition is becoming increasingly aggravating. A tariff on copper, sufficiently high to remove this disadvantage in production costs, would alleviate this situation, put men to work, set the wheels of industry turning, and make possible the proper functioning of governmental agencies in the affected regions without injury to any American institutions.

In this country we have striven to maintain a high standard of living based on high wages. Obviously, wages paid in producing the product must be figured in any computation of the cost of production. In this country most copper mining is conducted under a contract system whereby the miners are paid on a sliding scale according to the price of the metal per pound. When copper went up to 13 or 15 cents a pound, wages climbed; when it sank to 6 cents, wages fell. At present if a miner is fortunate to secure work at all, he can expect to earn as much as \$4.25 a shift or perhaps a trifle better. On the contrary, the foreign worker, often but a step removed from semisavagery, is paid but a bagatelle when compared with the American miner. In northern Rhodesia the daily cash wage paid to native miners averages from 19 cents for unskilled to 58 cents for skilled labor, with a total daily cost to the operators, including allowances in kind, of 35 and 75 cents, respectfully. In the Katanga district the wages are even lower. These figures are taken from a report of the United States Tariff Commission, which in turn quotes from the Northern Rhodesian Blue Book. Thus the commission is able to report that, on the basis of available data, the mine labor cost in Africa approximates 1.61 cents per pound of copper, as compared with 3.08 in the United States. While the differential between domestic and South American or Canadian copper-mine-labor costs are not so great, it still is nothing short of staggering. It must also be recalled in this connection that the lowest cost is beyond peradventure the cost upon which all others in competition must stand or fall.

The magazine *Fortune* recently completed a survey of the copper situation as it faces the world. This survey discloses that African copper can be laid down refined in New York or London for 6.93 cents per pound. When the mine costs of American producers are examined, it is clearly shown that such competition is ruinous to American producers of the metal. Mine costs for our principal mines per pound of copper are as follows: Kennecott, 7.18 cents; Magma, 7.94 cents; Calumet & Hecla, 8.62 cents; Miami, 10.24 cents; Copper

Range, 11.83 cents; Anaconda, 8.63 cents; Utah, 8.80 cents; Inspiration, 8.94 cents; Calumet & Arizona, 10.45 cents; Granby Consolidated, 12.59 cents. Five or six cents per pound tariff would equalize the difference between foreign and domestic production costs of copper and still not constitute an embargo. It will succor one of its major industries from a perilous foreign competition and render a real service to the thousands of workers and their families.

Tariff legislation is intended to accomplish two chief objectives. It is expected to provide a revenue and to protect domestic industries from the dangers of cheap foreign competition. It is designed to secure the home market for the home product and to provide the American workman and his family with a standard of living above that of similar workers in foreign lands. Such a policy, if successful, results in more happiness, greater efficiency, and increased progress in this country. Congress exists to remedy ills that afflict our citizenry whenever possible; it does not exist to aid in the exploitation of foreign resources and peoples at the expense of our own. The copper industry and its dependents ask nothing more than that its case be judged fairly and impartially. It is confident that if such an investigation is made by Congress that it will promptly be extended the service which a tariff will render. [Applause.]

Mr. HARDY. Mr. Chairman, I yield three minutes to the gentleman from Vermont [Mr. GIBSON].

Mr. GIBSON. Mr. Chairman, I take this opportunity to ask the chairman of the subcommittee some questions for my own information. As I understand it, no attempt is made in this bill to reduce the salaries of Members of Congress?

Mr. SANDLIN. My understanding is that the Committee on Economy will secure a rule the purpose of which will be to reduce the salaries of all Government employees and attach it as a rider to this bill. This bill itself carries no reductions either for the Members of Congress or for Government employees.

Mr. GIBSON. So eventually it will come in as a part of this bill?

Mr. SANDLIN. I understand the rule will be brought in, and the purpose of the rule will be to attach to this bill a general reduction in salaries for all employees, including Members of Congress.

Mr. GIBSON. I thank the gentleman for the information. I have just returned from a short trip, but one which brought me into contact with all classes of people. There seems to be one insistent demand on the part of the people, and that is for a reduction of Government expenses. They will hold us strictly responsible for results. I was very glad indeed to be assured by the statement of the chairman of the committee [Mr. BYRNS] and to find that we have made splendid progress in that direction by cutting under the Budget estimates by \$117,000,000. The whole committee is entitled to congratulations of the House and of the country. But there is one particular thing that the people are insisting upon, and that is a reduction of Federal salaries in the higher brackets particularly. It seems to me that we could set a very good example and show our good faith in dealing with the situation by first reducing the salaries of Members of Congress. To do so will meet the hearty approval of the American people and at the same time not leave us open to the charge of taking bread from the table of the poor man, the lower-paid employees.

Mr. HARDY. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. STRONG].

Mr. STRONG of Kansas. Mr. Chairman, I am going to make a short talk on the guaranty of bank deposits, which has been a very important question for years, and it is certainly very pertinent right now. We would not be in all the trouble we are in now if people were not afraid to put their money in the banks. They are hoarding it. In turn, the bankers are afraid and they are refusing to make loans; they are hoarding. The reason the people will not put their money in banks is because so many of them have failed and they have lost their money. Certainly a nation like this should provide some system by which the people could put

their savings in the banks and get them whenever they want to use them.

Various schemes have been provided. In my own State we created a State fund. We charged all the banks a certain fee to be paid into that fund so as to pay the depositors when a bank failed. It turned out that every bank, good or bad, got the benefit of this guaranty of bank deposits. The unsound, or improperly managed, went in on the same terms as the sound bank. If such a bank failed and its depositors were not paid, they went to this fund and got their money. That was well and good so long as the fund lasted, but the fund became exhausted and the system failed.

Mr. PARSONS. Will the gentleman yield?

Mr. STRONG of Kansas. Certainly.

Mr. PARSONS. Of course, you could not compel the national banks to pay a fee to State funds to guarantee their deposits.

Mr. STRONG of Kansas. No.

Mr. PARSONS. Because the people are apparently under the impression that national banks are backed by the Federal Government, does not the gentleman think that that had a great share in the failure of the guaranteed bank deposits law in Nebraska?

Mr. STRONG of Kansas. I can not say how it worked in Nebraska, but it failed in my State because so many banks failed that the fund was exhausted.

Mr. WOODRUFF. Is it not a fact, however, that while perhaps the State authorities can not compel the national banks to contribute to a State fund, the National Government can, through the affiliation of State banks with the Federal reserve bank system compel, or at least induce, the State banks to participate?

Mr. STRONG of Kansas. Yes; and may I say that the chairman of the Banking and Currency Committee of the House [Mr. STEAGALL] introduced a bill to use the profits of the Federal reserve system as a guaranty of national-bank deposits.

On the floor of the House I asked him the question as to what would become of the State banks. Of course if we guaranteed the deposits only of the national banks, the State banks would have to go out of business.

I want to say frankly that it is very regrettable that we have two banking systems in the United States.

Mr. WOODRUFF. I agree with you.

Mr. STRONG of Kansas. We should have but one. However, there are several times as many State banks as there are national banks, and members would not vote for legislation to destroy State banks. So the two systems are going to continue side by side.

Mr. STEAGALL has prepared another bill, which is under consideration by a subcommittee of our Banking and Currency Committee, and at 3 o'clock they are going to meet to hear the report of this subcommittee.

Mr. WOODRUFF. The gentleman has just stated that the Congress could not legislate State banks out of existence.

Mr. STRONG of Kansas. I did not say they could not. I said I did not think Congress would do so because every Congressman has two or three times as many State banks in his district as he has national banks; and we are greatly interested in the people back in our districts, as you know.

Mr. WOODRUFF. I will say to the gentleman that I agree with him because I do not believe Congress does have the authority to directly legislate a State bank out of existence.

Mr. STRONG of Kansas. Oh, no; not that.

Mr. WOODRUFF. But I think Congress can, by making the national banking laws, with guaranties to depositors of national banks so attractive that automatically the State banks would be compelled to take out a national charter or go out of existence.

Mr. STRONG of Kansas. That is so.

Mr. HASTINGS. Will the gentleman yield?

Mr. STRONG of Kansas. Certainly.

Mr. HASTINGS. If Congress were to pass an act providing for the guaranty of national bank deposits, it would

have the effect of making every State in the Union enact uniform legislation for the guaranty of bank deposits; the State banks would voluntarily insure their depositors.

Mr. STRONG of Kansas. That is what I want to talk about, if you gentlemen will let me do so.

Mr. WOODRUFF. I do not want to take up all the gentleman's time; but is it not possible for Congress to enact legislation that will guarantee bank deposits, not alone in national banks but in any State bank that is affiliated with the Federal reserve bank?

Mr. STRONG of Kansas. Yes; we could do that with the member banks of the Federal reserve system.

Mr. WOODRUFF. As a matter of fact, is not that a desirable thing to do?

Mr. STRONG of Kansas. But there are thousands of State banks that can not afford to join the Federal reserve group.

Mr. WOODRUFF. I presume that is true; but, on the other hand, are those thousands of little banks that the gentleman speaks of a real contribution to the banking structure of the United States, in view of what has happened in connection with the bank failures of the past three years?

Mr. STRONG of Kansas. Not only to the banking structure of the United States but they are a great necessity to the little communities they serve, and very few Congressmen would vote to put them out of existence.

Now, I want to go on to the proposition that I rose to discuss.

Mr. HASTINGS. If the gentleman is good-natured, he will allow me one-half a minute.

Mr. STRONG of Kansas. A fat man is good-natured, because he is too fat to fight and too fat to run, or does not want to.

Mr. HASTINGS. I want to say to the gentleman that for 10 years I have introduced a bill—and have reintroduced it at the present session—requiring each bank that is a member of the Federal reserve system—because they are the only banks over which we have any jurisdiction—to insure its own deposits up to 25 per cent of its general deposits. In time, that would result in every bank guaranteeing its own deposits without contributing to a fund.

Mr. STRONG of Kansas. I hope I can get to the matter I want to discuss. I have been studying this matter of bank deposits for several years, and I have never found a satisfactory manner in which it could be done. A gentleman came into my office a couple of weeks ago with a copyrighted proposition—a Mr. A. Mehrbach, of East Orange, N. J. He wanted Congress to pass a law to compel every depositor to pay to his bank one-tenth of 1 per cent a year of his deposits for the purpose of providing a bonded protection for the deposits of that bank. Well, I turned it over in my mind, and I could not see how Congress could pass a law compelling depositors to pay to a bank a part of the necessary amount to guarantee his bank deposits. However, I evolved this thought: Suppose Congress passed a law—and I would like to have you think this over critically and tell me what is wrong with it now or at any other time—compelling every national bank and member bank of the Federal reserve system to insure its deposits and then permitting them to charge their depositors not to exceed one-tenth of 1 per cent a year to pay for that service. That would enable the national banks to secure that service by securing a bonded guaranty of its deposits, as my friend from Oklahoma suggests.

Mr. HASTINGS. That will be unnecessary, because it would increase the deposits one-third or one-half and increase the earnings of the bank. If the gentleman will permit one more suggestion, if you have school funds, State funds, city funds, or any other public funds deposited in a bank, the bank has to guarantee them. What is the difference in principle of guaranteeing your general depositors and guaranteeing your State or your school or other public funds?

Mr. STRONG of Kansas. Well, I am talking about a plan that would pay for the service rendered. I want to go a little further into it. The national banks would not

have to charge this one-tenth of 1 per cent. If they wanted to furnish the protection without any cost, they could do so; but if they did make a charge, they could not charge over one-tenth of 1 per cent. Now, let me use this illustration: Here is a State bank on this corner and a national bank on that corner. The national bank comes out one morning and says, "According to a new law passed by Congress we have secured bonds for the protection of our depositors, and the charge will be one-tenth of 1 per cent." The State bank the next morning would say, "We will do that, too." They would have to do it in order to meet the competition, and it would not be long before all of the State banks would voluntarily say they would do it.

[Here the gavel fell.]

Mr. HOLADAY. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. DELANEY. Will the gentleman yield?

Mr. STRONG of Kansas. Yes.

Mr. DELANEY. Who will do the insuring?

Mr. STRONG of Kansas. The bonding companies, approved by the Comptroller of the Currency of the United States.

Mr. WOODRUFF. Will the gentleman yield?

Mr. STRONG of Kansas. Yes.

Mr. WOODRUFF. The gentleman states that bonding companies would insure these funds. Has the gentleman contacted any bonding company in this connection?

Mr. STRONG of Kansas. No. But I am sure that could be done, for where there is business, companies will organize to do it, and a nice business could be built up.

Mr. WOODRUFF. Has the gentleman contacted any bonding company to ascertain if they would be willing to do that?

Mr. STRONG of Kansas. I have some information on this subject in my office, and if the gentleman will come there, I am sure I can convince him that that can be done.

Mr. WOODRUFF. The reason I ask that is that I believe all people who deposit their funds in banks for safekeeping would gladly forego even a greater part of the interest they now receive from those deposits than the one-tenth of 1 per cent the gentleman mentions, if they could be assured that their money would be there when they came for it.

Mr. STRONG of Kansas. I think that is true.

Mr. PARSONS. Just one suggestion: One of the reasons we had so many bank failures before the crash was dishonest banking, dishonest men who got away with the funds. They would spend a year or two in the penitentiary, at the longest, and after they came out they would have a nice, comfortable fortune on which to live during the remainder of their days. So the gentleman would have to do something with the penal laws to take care of such a situation, otherwise the bonding companies would have great losses every five years.

Mr. STRONG of Kansas. I think this proposition will take care of that. Let me use this illustration: My friend from Michigan is the owner of a bank and I am the owner of a bank, although I have never owned any bank stock. His bank is one that has experienced men behind its counters and is sound. My bank has been a little extravagant in its loans, it has some frozen paper, and the men in it are not as competent as the men in my friend's bank. Both banks go to a bonding company and say, "We want to be bonded; we want to have our deposits bonded."

The bonding company go through his bank and say, "All right; we will grant you a bond to protect your deposits," and then they come to my bank and say, "Here, STRONG, you have a lot of bad paper. You have got to get your directors together and get rid of this paper within six months. You have also got to employ a competent banker behind the counter."

So without the State or the Nation or any politics being involved in the matter, the bonding departments of the bonding companies on a straight business basis will compel the banks to clean up in order to get their bonds.

Now, I just want you to think this over. It is very simple. Pass a law to have the national banks procure a bond guar-

anteeing their deposits, the bonding companies to be approved by the Comptroller of the Currency, and then provide that they shall not charge over one-tenth of 1 per cent for the service. This will bring in the State banks as well as the national banks, and the bonding companies will look after the securities of the bank, and we can all put our money in the bank, if we ever have any, and when we want to pay out our money for taxes or for our living expenses we can go to the bank and find it there.

Mr. HASTINGS. I am glad to know that the gentleman from Kansas and myself thoroughly agree, except I do not authorize them to charge the one-tenth of 1 per cent. I think the guaranteeing of deposits will bring out of hoarding a sufficient amount of money to justify the banks in going to the additional expense of paying a premium on 25 per cent of the deposits, and the reason I put it at 25 per cent of the deposits is because the report of the Comptroller of the Currency for 1927 showed that over a period of years the average recovery from failed banks was 74.74 per cent.

Mr. STRONG of Kansas. I agree with the gentleman from Oklahoma, but with this suggestion: It would work all right to compel the big banks to pay this expense of guaranteeing deposits, but what about the little banks? There are a lot of little banks in my country, as well as in other States, that can hardly make a living and, perhaps, they could not stand the expense of bonding their deposits. So I would let them charge for the bonding cost.

Mr. McCLINTIC of Oklahoma. Will the gentleman yield?

Mr. STRONG of Kansas. Yes.

Mr. McCLINTIC of Oklahoma. If I understood the gentleman correctly, he proposes a charge of one-tenth of 1 per cent to take care of the bond. Does the gentleman have any assurance we could get that kind of protection for the price named?

Mr. STRONG of Kansas. I have. The gentleman who has copyrighted the plan I suggested a while ago has gone to a large expense and has made a very intensive study and wide research into the matter and assures me that it can be done.

Mr. GLOVER. Will the gentleman yield?

Mr. STRONG of Kansas. I yield.

Mr. GLOVER. Does not the gentleman think there ought to be a distinction made between depositors who deposit their money on time deposits where they draw interest and depositors who simply put their money in the banks for safety? Ought not the fellow who is drawing a certain per cent on his money when it is deposited on time be the one that would bear the expense and let the bank take care of the matter with respect to the other depositor who has his money in the bank?

Mr. STRONG of Kansas. I think the man who gets compensation for leaving his money there surely ought to be able to bear the expense as well as the man who gets no compensation for it.

Mr. HASTINGS. Does the gentleman's bill except such deposits? My bill does not take into consideration the interest-bearing deposits.

Mr. STRONG of Kansas. I may say that I have not as yet introduced a bill. Out of consideration for my friend and chairman, the gentleman from Alabama [Mr. STEAGALL], I am going to wait until his bill comes forth, and if it is satisfactory I am going to vote for that bill and forget mine; but I want you to think about this proposition, and I may introduce my bill to-morrow just to have your attention to this plan. [Applause.]

[Here the gavel fell.]

Mr. HOLADAY. Mr. Chairman, I yield the gentleman from Kansas four additional minutes.

Mr. WOODRUFF. Will the gentleman yield?

Mr. STRONG of Kansas. Yes.

Mr. WOODRUFF. The gentleman knows, of course, that savings banks pay interest on deposits and that runs usually from 3 to 4 per cent.

Mr. STRONG of Kansas. Yes.

Mr. WOODRUFF. If a bank finds itself in a position where it can not bear the expense of bonding, such as the

gentleman has outlined, can it not, by reducing the amount of interest it pays on deposits, carry the expense in that way and charge it to the depositors? I think the depositors would be delighted to pay that.

Mr. STRONG of Kansas. But what difference does it make whether it charges it in that way or makes a charge of one-tenth of 1 per cent?

Mr. WOODRUFF. I do not know that it makes any difference, but the thought I have in mind is this: Notwithstanding the enthusiasm of the gentleman who has copyrighted the idea which the gentleman from Kansas has given us to-day, and I think it is a fine one, I do not believe you can find a bonding company that will bond a bank's deposits for one-tenth of 1 per cent of the deposits; and if that is true and it is not possible to do that, I think the depositors of the country would be glad to pay more than that amount in order to get this security.

Mr. STRONG of Kansas. I would, if I ever had any money to put in the bank.

Mr. WOODRUFF. So would I.

Mr. PARSONS. If it only cost one-tenth of 1 per cent or even if it cost fifteen-hundredths of 1 per cent, would it not be better for the Federal Government to undertake that guarantee, inasmuch as they have the matter of inspection and auditing of the banks of the country, and could they not do that out of this fund that is proposed in the Steagall bill?

Mr. STRONG of Kansas. They probably could, yes.

Mr. PARSONS. And then if there is any profit made out of it, let that profit come to the Federal Government.

Mr. STRONG of Kansas. You would find that would amount to an immense sum of money; when you take a mass collection of little fees paid in by a nation of 125,000,000 people, it amounts to a tremendous sum. I do not know whether the banks could stand this or not, but I have just proposed this for you to think over and to debate in the cloakrooms, because sometime you may need to be informed about it. I think there is nothing more important, outside of the stabilization of the purchasing power of the dollar, than providing a guaranty for the savings of the people of this Nation when they want to put them in the banks of the country. [Applause.]

Mr. PARSONS. According to the figures, down to 1928, there have only been \$45,000,000 losses to the national banks in this country.

Mr. STRONG of Kansas. That is true.

[Here the gavel fell.]

Mr. SANDLIN. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. FITZPATRICK].

Mr. FITZPATRICK. Mr. Chairman, I understand that the Economy Committee is to bring in a report reducing the salaries of Federal employees. I am opposed at this time to Congress enacting any legislation of that kind.

In 1929 the depression started. At that time our country was supposed to be in great prosperity, but what has happened in the last 25 or 30 years in this great country? We have had great inventions, mass production, great efficiency, so that 75 per cent of the people of the United States can produce more than we can consume or more than for which we can find a market. The business interests of this country took advantage of the great inventions and improvements and made great profits out of them, and through those inventions thousands of men were thrown out of employment throughout the country.

What have the legislative bodies been doing? Nothing to meet these conditions.

I want to say that the only solution for unemployment in this country is to reduce the hours of labor, so that these hundreds of thousands of people can go back to work, where only 75 per cent are doing it to-day. [Applause.]

I understand they want to balance the Budget. The patriotic cry throughout the country is, "Balance the Budget." I understand that in 150 years the Budget has been balanced only about twelve times. In 1918, during the war, we reached about \$20,000,000,000 above the Budget, and right after the war we owed \$26,000,000,000. What did

these patriotic people who now cry "balance the Budget" do? I will tell you what they did.

Instead of making returns to the Federal Government and getting them out of the \$26,000,000,000 in the red, they paid a bonus to their officers of 50 per cent and in some cases 100 per cent, and Uncle Sam could not get the money. They were not interested at that time whether the Budget was balanced or not. But now throughout the country they are crying, "Balance the Budget."

This is the wrong time for Congress to attempt to cut off the supply of money that would go out to the people throughout the United States and bring results.

I can not see why Representatives from the farming districts should advocate a reduction of salaries of Federal employees. It reduces the purchasing power of the people who receive the money, and where the farmer to-day is not receiving a fair price for his wheat, he will get less when this goes into effect. If they have the interest of the farmer at heart, they would be against the reduction of salaries, so that the purchasing power of the people would be greater and the people would receive a living wage.

I say to you gentlemen that it is a great mistake for Congress at this time to adopt any rule or law that would cut down the salaries of the underpaid Federal employees in our country. [Applause.]

Mr. HART. Will the gentleman yield?

Mr. FITZPATRICK. Yes.

Mr. HART. Does the gentleman think that adding to the taxes of the farmer will be in his interest?

Mr. FITZPATRICK. No; but just as soon as you pass this cut corporations throughout the country are going to reduce the wages of their employees, and thus further reduce the purchasing power of those who buy farm products.

Mr. HART. They have already done it.

Mr. FITZPATRICK. No; not all of them have cut, but they will if the Government cuts, and that is what they are waiting for.

Mr. CONNERY. The gentleman does not know that the General Electric Co. cut the wages of their employees last week, after that company had made about \$50,000,000, and they are now waiting to cut them again.

Mr. FITZPATRICK. I am just going to touch on that. Last week in the city of New York there was a directors' meeting of the American Telephone & Telegraph Co. Mr. Gifford, the chairman of the President's emergency committee, is president of that corporation. A Mr. Blanchard attended that meeting and protested because during the last three years they had contributed \$333,413 to the emergency fund, the unemployment fund, and had charged that up to operation, so that it would be charged to the consumers. What did Vice President Page say? He said that it would cost the consumer only half a cent a month. On the other hand, they have laid off more people in percentage to the number they employ than any other corporation in the country, and during the year 1931 they paid a 9 per cent dividend and turned \$58,000,000 into the surplus fund. That is patriotism for you, and that is the kind of patriotism they are clamoring for.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. FITZPATRICK. Yes.

Mr. McCORMACK. I call the gentleman's attention to the fact that the Economy Committee was organized for the purpose of reorganizing departments in the bureaus and wiping out bureaucracy as much as we could in the Federal Government, and the first thing they bring in is a cut in salary of those in Federal employ.

Mr. FITZPATRICK. The trouble is that we have Members of Congress who to-day enjoy large private incomes, who are wealthy, so that \$10,000 a year means nothing to them; it will not take care of their social needs in the city of Washington. We have other men in Congress who, because of the prestige they obtain in that way, can add to their professional incomes many thousands of dollars a year. We still have other men who live on the \$10,000 they receive; but the trouble is with them that some of them are

suffering from the "ghost what ain't." I think it would do them good to read Ellis Parker Butler's story of Ghosts What Ain't. They are afraid that the people back home will not support them if they do not vote to cut their own salaries, not only the Federal employees' salaries but their own. They are conjuring up an imaginary enemy. You can talk to these men in the cloakroom and in the lobby and they will tell you that they do not want to have their own salaries reduced but that they are afraid that the people back home demand it. I say to you that the majority of the people back home believe that you are worth \$10,000 a year. Do not make this a rich man's Congress; let us make it a people's Congress. [Applause.] And I say that the man who will vote to lower the salary of the Federal employee is doing an injustice not only to himself but to all of the American people.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. FITZPATRICK. Yes.

Mr. RANKIN. If this Congress would pass a bill now pending before the Committee on Ways and Means to re-inflate the currency and pay off these adjusted-service certificates and restore the buying power of the people of the country and restore the value of commodities, we would get enough revenue to carry on without these things.

Mr. FITZPATRICK. I realize that the men who made money during the war are against that now. When they were paying bonuses two years ago men on the Republican side of the House walked up and down here with a copy of the tariff bill, and how they would stress the first line, which stated that it was for the benefit of labor and for the benefit of our country that they were raising the tariff. And now this is your answer to the American workingman and working woman—we will reduce your wages now that we have got our tariff.

Mr. DELANEY. Mr. Chairman, will the gentleman yield?

Mr. FITZPATRICK. Yes.

Mr. DELANEY. Does the gentleman know that the Government is now discharging men who have been receiving salaries around \$48 a week and hiring them back at \$36 a week, keeping them for a short time, and then discharging them again and hiring them back at \$24 a week?

Mr. FITZPATRICK. They are doing that in every department through Executive order. Since Congress went into session we have not paid one cent to try to help the unemployment situation in our country.

Mr. BOYLAN. Does the gentleman think that the time has now arrived when the American people expect a Congressman to live in furnished rooms in Washington and eat at 1-arm-chair restaurants?

Mr. FITZPATRICK. No; they expect the Members of Congress to live decently and respectably, and I say it is going to be hard on a Congressman to receive less than \$10,000 a year. You are going to make this a rich man's club.

Mr. LaGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. FITZPATRICK. Yes.

Mr. LaGUARDIA. We are now faced with a practical parliamentary situation. There is only one thing to do, and I know the gentleman from New York will go along. To-morrow or the next day when the rule comes up, let us get together and vote down the rule, and any time any iniquitous reduction comes along, let us vote that down, and we will have a fight here.

Mr. FITZPATRICK. Yes; let us represent the American people and keep up the high standard of living in our country. We are to-day probably the greatest country in the world, and are we now going to drag it down? I am speaking from experience. I know what it is to toil.

Mr. HOGG of Indiana. Mr. Chairman, will the gentleman yield?

Mr. FITZPATRICK. Yes.

Mr. HOGG of Indiana. If the captains of American industry earn salaries of \$1,000,000 a year or more, how much did Thomas Edison earn a year?

Mr. FITZPATRICK. He is gone now, and I am not going to mention his name. He is out of the picture.

Mr. HOGG of Indiana. I do not believe that I made my question clear. If the captains of industry take from the American people \$1,000,000 a year as personal salary, how much do you think, upon that basis, that Thomas Edison would have been worth?

Mr. FITZPATRICK. About a billion dollars a year or more.

Mr. REED of New York. I would like to do a little more than merely ask a question.

Mr. FITZPATRICK. I can not yield for more than a question.

Mr. REED of New York. I will not take up your time and I think you will be satisfied with what I have to say. Within the last 10 days quite a large number of employees came into my office to pay their respects, and to say that the employers had consistently refused to discharge men or reduce their wages, but said that if the Federal Government sees fit to cut the wages of its employees then they would have to take a cut.

Mr. FITZPATRICK. The newspapers seem to control the Members of the House. I recall around the 15th or 16th of February a gentleman from the other side made a speech in favor of reducing salaries. The same day, the same afternoon, in the Willard Hotel, a Member of the Senate and three Members of the House spoke against the reduction of salaries, and the next day on the front page of the metropolitan papers in big headlines there appeared "Senator So-and-so in favor of reducing salaries," but nothing appeared about the speeches against such reductions. That is all you are getting; you are not getting the whole truth.

Let me follow this further and say to you to-day that the trouble is that Members of the House think if they speak in favor of big business or the capitalistic interests of our country they are statesmen, but if they say one word in favor of the toiling masses they are demagogues; they are socialists; they are communists! Would to God we had more people to-day who would speak in favor of the common people. [Applause.] That is what we need in our country, not men who advocate the balancing of the Budget only. As I stated before, where are those men who, making millions and millions of dollars, will not, when we owe \$26,000,000,000, turn part of it over to the Federal Government?

Now is the wrong time to send a message to the country that we are going to cut down the salaries and reduce the wages of Government employees, because it is going to react unfavorably from one end of our country to the other.

Mr. SIROVICH. Will the gentleman yield for a question?

Mr. FITZPATRICK. Certainly.

Mr. SIROVICH. As a matter of fact, the Democratic Party has always been in favor not only of living wages but saving wages, so that a man or a woman can save for his old age; and if we bring about a reduction in salaries to-day we not only remove saving wages but remove living wages.

Mr. FITZPATRICK. We will; but let us hope the Democratic Party will stand up on that. [Laughter.] I hope they stand by that. I mean that.

Mr. SIROVICH. I am sure we will.

Mr. FITZPATRICK. They are going to call it a non-partisan measure when it comes in, but I want to tell you that that will make no difference to the American people.

Mr. MEAD. Will the gentleman yield?

Mr. FITZPATRICK. Yes.

Mr. MEAD. You do not expect much opposition to that argument coming from this side, because it has always been basic with the Republican Party that they are the advocates of high wages and good living conditions.

Mr. FITZPATRICK. As far as the presidential election is concerned, if we can get prosperity back to our country I do not care who they elect. [Applause.] I want to see my country prosperous.

[Here the gavel fell.]

Mr. SANDLIN. I yield the gentleman two additional minutes.

Mr. CONNERY. The gentleman, I think, will grant, speaking to this side of the House particularly, that the

Democratic Party will succeed as long as it has the courage to be Democratic.

Mr. FITZPATRICK. Absolutely; and when it fails it is going down to defeat; and I am reminded of what a distinguished gentleman from this side of the House said only a few days ago, when we had the anti-injunction bill before us—that he was proud of the Democratic Party; that it had always championed the cause of the people. I hope that that gentleman, when this bill comes in, will act and not talk, and vote in favor of the people and not in favor of reducing salaries; and I hope this side of the House, the gentlemen who advocated a tariff for the protection of the working people of our country, will carry out their pledge and vote against any reduction in salaries at this time.

Mr. ARENTZ. May I call attention to the fact in connection with this question respecting salaries now that we should think back over the long period between 1914 and 1919 when Government salaries remained absolutely static, and yet costs were ever increasing until when we got into the war a 1-room apartment cost half the wages a man was paid in the departments?

Mr. FITZPATRICK. But gradually the change came about, and after a long, long time the Federal employees got an increase, which they now want to take away. The capitalists of the country do not increase wages voluntarily; increases are forced on them; and we must think of the effect on the country of any action which we may take in reducing salaries.

I know whereof I speak. I remember as a boy toiling 11½ hours a day in a mill for 75 cents a day. I worked down in the mines for 90 cents a day for years, and I realize the conditions. When I speak I speak with a knowledge of such conditions; and if any man appreciates our flag or our country it is I, because it gave me a chance and an opportunity. I do not want to see it go back. I am not in favor of socialism. I am not in favor of communism. God forbid that they should ever arrive, that the time should ever come when we would become instruments of the state. I always want to have the state remain the instrument of the people. Yet if we get socialism it will not come from the working men and women of the country, but it will come from the capitalists.

I hope this salary cut is defeated.

Mr. HOLADAY. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. McGugin].

Mr. MCGUGIN. Mr. Chairman, when we view the proposition of making a cut in public expenses, which means a cut in public salaries, I hope it will be viewed from the standpoint of the great mass of the people. Viewing it from that standpoint, it seems to me it is our imperative duty to make a reduction in public expenses. None of us wants to go back to the pre-war standard of living; but what are the facts? The 27,000,000 farm people of this country are to-day living on a standard which is 50 per cent below the standard of living between 1910 and 1914.

When we are dealing with the question of public salaries and public expenses, we can not deal with them without realizing that we must go back upon the people of this country and tax them for the revenue to meet these expenses.

What have we done within the last few months? Well, one thing we have done is to increase the postal rates of this country 50 per cent. The 8,000,000 unemployed and the 27,000,000 farmers who are living on a standard 50 per cent below the standard of living between 1910 and 1914 are to-day called upon to pay that increase. We have levied a tax upon lubricating oil. When the Ways and Means Committee brought in its substitute bill for the manufacturers' sales tax, it went along with special sales taxes and taxed until it did not have the courage to go any further, and yet it was \$243,000,000 short. We all know that the next step was a Federal tax on gasoline, a stamp tax on checks, and a tax on electricity to be consumed by the people.

The Ways and Means Committee turned to the House and said, "Rather than do this, let us cut the expenses of this Government \$243,000,000." I do not know how you are going to cut the expenses of the Government of the United

States unless we reduce the current expenses, which is bound to affect adversely us who are on the public pay roll. We are now right up against the situation where we must do either one of two things, go back upon the people of this country and tax them more or cut the expenses of government.

We hear it said that this is going to be an excuse for the cutting and slashing of wages in private industry. Well, let us see about that. The Government of the United States, as you know, has made no cut during the last two years. The President of this country, the Congress of this country, the Department of Labor, and every branch of this Government have tried to keep up the wages of this country. No one can honestly say the Government has not done its best to maintain the wage scale of this country during the last two years. This has been a faithful and worthy effort upon our part. Yet what are the facts? The gross wage check of this country on December 1 last was 49 per cent less than it was two years before that time. That, of course, included those who were out of employment and those whose wages had been cut. I merely offer that to suggest that reducing or not reducing public expenses does not keep up wages on the outside. It takes something more than precedent to keep up wages.

Let us look a little further. All over this country corporations and industries are being taxed and taxed. Most of them are fighting with their backs to the wall, with depreciated income. What are they doing? In order to make their expenses come within the range of their depreciated income they are laying off labor.

I submit it is better for labor and the country to cut the taxes. Let me offer a concrete illustration. In my district the M., K. & T. Railroad Co. in one county is now paying \$153,000 a year in taxes. In 1914 it paid \$52,000 a year. It has no more property in that county than it had then. In 1914 it employed 1,200 men in the shops, while to-day it employs 600 on less than one-third time. Yet it must continue to pay its taxes. Would it not be better for labor if the taxes of that company were reduced and it could spend its money for labor instead of taxes?

Let me offer this suggestion: That there is probably not a thing in America to-day standing as a heavier weight over the hopes and aspirations of labor than taxes, because taxes must be paid first and every dollar spent for taxes is one dollar less to be spent for labor. You say they are State taxes. All right. We can not sit here in Washington and say to the school districts, the towns, and townships in the States, "You and your employees must take a cut, but we on the Federal pay roll shall be special privileged and make no concession to the depression and despair of the people of this country. Those are the facts with which we are confronted. No one wants to cut public salaries, but we are either going to cut them and cut the expenses of this Government or we are going back and further pick the pockets of the American people. The bill proposed provided for a reduction of 11 per cent of that part of a Federal salary in excess of \$1,000. The first thousand dollars of every Federal salary is left untouched. That is certainly a modest reduction."

In my humble opinion, this Government of the United States is in greater peril to-day than it has ever been in its history, barring not a single war. If we were at war to-day the Government of the United States could turn to the country and ask for aid and all would come to its aid. Forty-eight governors would arise at once and offer the support of the States. Every city and every municipality would arise and offer their support.

Every individual would pledge his allegiance to his country. Capital, labor, and finance alike would pledge their aid to their country. Our country to-day is in despair. Our Government is a bankrupt institution. What could be a more bankrupt institution than one which went behind \$3,000,000,000 in two years and is to-day going behind \$7,800,000 a day. Such is the distress of this country. The Government at Washington turns to the country and asks for help in this hour of distress, and what is the

answer from 48 governors? "Give us money, give us money; give us more and more." What is the answer from the municipalities? Aid to the Government? No. "Give us more and more money; take our obligations off our hands." It turns to capital and industry and what is the answer? "Give us help from the Federal Treasury." Turn to any source and what is the answer? "We demand money from the Federal Treasury."

Alas, alas! Poor America to-day, the Government at Washington, if you please, stands virtually without a friend that will come to her aid. But, on the contrary, they are all asking for more and more. If this country goes down at this time and this Government fails, it is because the people of this country are thinking only of their own personal interests and are not willing to make the sacrifice to aid their Government in its hour of economic distress.

A government that is spending \$2,000,000,000 a year more than it takes in is entitled to the help of its people and to expect the people not to increase further the burden upon the Government.

I may be wrong in this matter, but, in conclusion, I simply say that, so far as I am concerned, I am convinced that as sure as God reigns in heaven and the devil rules hell, this Government is going to fail unless the people of this country will come to the aid of the Government and not expect the Government to keep them up at this time. [Applause.]

[Here the gavel fell.]

Mr. HARDY. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. McCORMACK. Will the gentleman yield?

Mr. McGUGIN. Wait until I make one final statement.

In my judgment, the cause of the economic distress of our Government at this time is largely because the people of every class and every faction have come to Washington and asked for money from the public Treasury, and Congress has been more political than practical and has granted the demands. In my judgment, it is up to this Congress to determine whether or not it is going to stand up and preserve and defend the integrity of the Government or whether it is going to barter away its integrity for political advantage in the coming election. If the Republic of Washington, Lincoln, Roosevelt, and Wilson is to survive, this bankrupt Government must be supported by the people and not be broken down by all the ills of the Nation being placed upon the shoulders of the Government at this, the weakest moment of its life.

I now yield to the gentleman from Massachusetts.

Mr. McCORMACK. The gentleman realizes that our present predicament is due to a credit collapse, does he not?

Mr. McGUGIN. In part.

Mr. McCORMACK. In the main, is it not?

Mr. McGUGIN. No; I am not going to concede that.

Mr. McCORMACK. We have \$11,000,000,000 of the gold of the world to support our credit structure, have we not?

Mr. McGUGIN. I can not concede that a government with \$64,000,000,000 of income has any business with a public expense of \$15,000,000,000 under any circumstances.

Mr. McCORMACK. The gentleman talked about the action of the several States and municipalities of the country.

Mr. McGUGIN. Yes.

Mr. McCORMACK. Is not one of the main factors in bringing about our present condition underconsumption?

Mr. McGUGIN. One of the main factors in the present condition of nearly every city and municipality in the country is that they bonded themselves to death and went ahead on a war-time inflated basis in making expenditures and in many instances are now asking the Government at Washington to take over their debt.

Mr. McCORMACK. From a business angle, is not our present condition due to underconsumption?

[Here the gavel fell.]

Mr. SANDLIN. Mr. Chairman, I yield seven minutes to the gentleman from Pennsylvania [Mr. BOLAND].

Mr. BOLAND. Mr. Chairman, I have signed the petition lying on the Speaker's desk calling for Congress to declare

2.75 per cent beer nonintoxicating because it will be a real revenue raiser that will be very popular and will cause no hardship to our citizens, also because the Wickersham Commission in their report recommends same.

I wish to state to Congress at this time that in that same Wickersham investigation in the Senate Document, No. 307, volume 9, part 3, Seventy-first Congress, third session, that statements were made by James J. Forester, consultant, casting a stigma upon certain residents of Pennsylvania, namely, Poles, Italians, Russians, and Slavs. Mr. Forester said:

I spent 12 days investigating conditions in the anthracite coal fields of Pennsylvania. However, most of my investigation was made in Scranton and surrounding borough. This, because I was told everywhere I went that Scranton and suburbs were really the center of the hard-coal mining industry and that anything I would get there would be fully representative and typical of the entire region. I found whole communities—distinctive Italian communities, distinctive Polish communities, distinctive Russian communities, distinctive Slavish communities, and distinctive other non-English-speaking foreign communities—where English is not spoken at all, and others where the English language is the exception.

Wanting to learn as much about these people and their habits as possible in the limited time I had, I talked to a number of business men, professional men, and English-speaking working men about them, and all with whom I talked, without a single exception, said that most of these foreigners (Lithuanians excepted) have neither fear of nor respect for law; that while fairly honest in paying debts for things purchased, they have no scruples whatever about how they get the money with which to pay. This, those I talked with say, accounts to a large degree for the making and selling of liquors by these people as outlined in the memoranda I have already heretofore given you, much of which I am convinced by personal visit and observation is true.

Now ladies and gentlemen, I wish to protest in the most effective manner at my disposal that this stigma is unwarranted and also un-American.

The different classes of people mentioned in the above statement belong to the very best class of citizenship in Pennsylvania, and I am proud to call them friends of mine.

I can not conscientiously represent the people from Pennsylvania and allow a public record of this kind to go unchallenged. It is not fair, it is not just to those good people who are law-abiding citizens and pay their honest debts with the money they earn honestly. Their children are being educated in our schools and colleges and are a credit to the various professions that they are following.

It is a disgrace that a public document should be allowed to have inserted therein such an insult to any race of citizens and I again reiterate my protest.

I consider this attack upon these people from my home an insult to all the citizens living in the great commonwealth of Pennsylvania.

It is an indictment against decency and honesty and should never have been allowed to be printed.

The first statement Mr. Forester made proves that the evidence he presented is untrue. He said he spent 12 days in the anthracite coal fields. To cover that area properly it would take a year of the hardest kind of work to get a proper report.

It comes with bad grace when a commission of that kind would send out a publicity seeker at the expense of the reputation of some of our most respected citizens.

Mr. CONNERY. Will the gentleman yield?

Mr. BOLAND. Yes.

Mr. CONNERY. If this gentleman that made the report the gentleman refers to could talk Polish and French and German and Italian and read their newspapers, he would perhaps find out that these people are perhaps better Americans than he is.

Mr. BOLAND. There is not any question about that. The gentleman from Massachusetts has the right idea about these races of people in my district. The very first part of this man's statement proves that it is untrue and is false. He states that he spent 12 days in the anthracite field to investigate conditions in order to make this report. Gentlemen, it would take a year of the hardest kind of labor to make any kind of decent report covering such a wide area.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. BOLAND. Yes.

Mr. LaGUARDIA. In this "thorough" investigation that the commission made of the coal fields did they offer any constructive suggestions to better the economic condition of these men who are giving their lives to produce this coal?

Mr. BOLAND. None whatever. They offered no suggestions of any kind. The only thing that this Wickersham Commission did was to place a stigma upon various races of people that should not be placed upon them.

Mr. HARDY. Mr. Chairman, I yield five minutes to the gentleman from California [Mr. BARBOUR].

Mr. BARBOUR. Mr. Chairman, I have not heretofore attempted to discuss the proposition of wage cuts. I have listened to the speeches that have been made on the subject, but I am not ready to subscribe to the theory that drastic wage cuts are necessary to restore prosperity. I really believe that we can help conditions more throughout the country if we stop continually talking about conditions being so bad. When it goes out day after day from these Halls to the country that conditions are worse than they have ever been before and that we must cut the pay of charwomen to relieve those conditions, what can we expect the effect will be on the people generally who, we know, are patriotic, hopeful, and looking forward to better times?

I, for one, would like to see less talk here in Congress about conditions being so terrible. Of course, conditions are not good, but I do not think they are as bad as many Members have from day to day pictured them, or anywhere near as bad.

Mr. CONNERY. Will the gentleman yield?

Mr. BARBOUR. I yield.

Mr. CONNERY. Does not the gentleman think conditions are bad where they are paying girls 5 cents an hour in the city of Fall River, Mass.?

Mr. BARBOUR. Of course, such conditions are bad, and I am not in sympathy with any such thing, but I do not think it is going to help the condition for Members of Congress to stand on the floor and say that the country is in such bad shape that we must cut the wages of charwomen and the wages of employees in the lower brackets. We can improve conditions without resorting to measures of that kind, and a further cutting of wages would not tend to improve the deplorable condition the gentleman from Massachusetts speaks of.

Now, if we reduce wages, particularly those in the lower brackets, what is going to happen? It has been pointed out that it will be a precedent for a general wage reduction throughout the United States in industry, and I have no doubt that there are some who would be willing to see something of that kind brought about. But it will not help to restore prosperity to the country. It will have just the opposite effect.

The President of the United States has never advocated a cut in wages of Government employees, but he has striven to keep up wages in industry.

Another thing that will happen—and I want to bring this home to Representatives from the agricultural sections—if we cut the wages, especially in the lower brackets, of Federal employees, and it is followed by a general wage reduction in industry, then to that extent the purchasing power of the people is reduced, and the market for agricultural products will be further depressed and curtailed. It is decidedly against the interest of the farmer to have a general or any wage reduction, because the farmer is already suffering from contracted markets due to the reduced purchasing power of the people.

Mr. LANKFORD of Virginia. Would not that apply to industry as much as to the farmer?

Mr. BARBOUR. Exactly; if you curtail the purchasing power of the people, they are to that extent not going to be able to buy the products of the farm and factory, and it is going to have a further depressing effect upon the country.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. BARBOUR. I yield.

Mr. COCHRAN of Missouri. The gentleman stated that the President had not made any recommendation for cuts in salaries.

Mr. BARBOUR. Not to my knowledge.

Mr. COCHRAN of Missouri. The President has made a recommendation for staggering employment. What is that?

Mr. BARBOUR. As far as I know, the President has never directly advocated a reduction of wages in the Federal Government or in private industry.

Mr. COCHRAN of Missouri. He has advocated it in another way.

Mr. BARBOUR. I am talking about a direct recommendation for a cut in wages.

Mr. COCHRAN of Missouri. If you give men staggering furloughs without pay, that must be considered as a wage reduction.

Mr. BARBOUR. They would have less time employment, but the wage scale would remain the same.

Mr. COCHRAN of Missouri. But there is no limit on the staggering furloughs that have been proposed.

Mr. BARBOUR. I am not talking about the staggering-furlough proposition. At the present time it is only a suggestion. We can meet the question when it comes definitely before us. I am talking about the single proposition of cutting wages, and I say that to my knowledge the President has never advocated that the wage scale be reduced. If we are going to cut wages, if we have to cut in order to economize, then I do not favor going into the lower brackets. It seems to me that a 10 per cent cut in wages over \$2,500 per year—

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HARDY. Mr. Chairman, I yield five minutes more to the gentleman.

Mr. BARBOUR. If we have to cut wages we should not go below \$2,500 a year. If we place a 10 per cent cut on all wages over \$2,500 a year, we will not be curtailing the purchasing power of the people to the same extent that we would if we extended it all the way down to \$1,000 a year, and we will not to the same extent be establishing a precedent for private industry.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. BARBOUR. Yes.

Mr. CONNERY. I know how the gentleman feels with reference to the personal side of cutting a Congressman's salary. It is not a popular thing to vote that your own salary should not be cut, but I am sure that the gentleman from California does not want this House of Representatives made a rich man's club.

Mr. BARBOUR. I certainly do not; but I say to the gentleman from Massachusetts that I feel, as I am sure he feels, that if it was merely a question of cutting the salaries of Members of Congress alone in order to help to improve conditions, I am ready to vote for a reasonable cut right now.

Mr. CONNERY. I could not agree with the gentleman, for the simple reason that we might be driving men out of Congress who are representing the people of the United States and putting in their places representatives of the big interests.

Mr. BARBOUR. I am willing to agree with the gentleman from Massachusetts that it would have that effect; but if it is necessary to relieve conditions, to help ease the tax burden, I am willing to take my share of the cut. If we should make a cut above \$2,500 a year, then not so great a hardship would be worked on the people who are drawing small salaries in the Federal Government. If we add to that a reasonable cut in retirement pay that certain officials of the Federal Government are also drawing in addition to their Federal salaries, nobody will be seriously hurt. If we have to have a cut, I think such a plan as I am suggesting for your consideration is better than a straight cut down to the \$1,000 brackets, because it would cut the people who are better able to stand it. It could not to the same extent be used as a precedent for cutting wages in industry, and it would not to the same extent curtail the purchasing power of the people. [Applause.]

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. It seems to me this is one of the most important issues which has come before the House in this session of Congress. In questioning the gentleman from California [Mr. BARBOUR], as I just remarked, the matter of cutting a Congressman's own salary is a delicate situation to talk about on the floor of the House for the reason that one is immediately put in the position by the newspapers of the country, or before the Nation, and back in his own district, of having it said of him that he does not care anything except for his own salary, that he does not want his own salary cut. I remember sitting on the floor of this House when we increased our salaries from \$7,500 a year to \$10,000. I listened to gentleman like the distinguished gentleman from Connecticut [Mr. TILSON], and other Members of the House on both sides, at that time speak in favor of increasing salaries and giving their reasons why they favored such an increase. Many Members of the House said at that time, if I remember correctly, that the only reason they stayed in Congress was not due to their salaries, for they could not live on \$7,500 a year and keep up two homes, one in their districts and one here. Further, if they had children, it became increasingly more difficult to come anywhere near meeting their expenses. The only reason some of them stayed in Congress, giving up lucrative law practices and other lines of business, was for the honor that came to them and to their families and children. A child was able to say that his father was a Member of the House of Representatives and served his country in the Congress of the United States.

That argument does not appeal to the big newspapers of the country; it does not appeal back in the farm States to those who come in and say, "Well, the postmaster in this town is getting his salary and he gets it all the year around, and the rural letter carrier is getting a certain salary, and you fellows in Congress get \$10,000, and why don't you cut your salaries?" Those people little realize that when the time comes, when they begin to cut salaries of Members of the House of Representatives, they are liable to be starting a proposition that will take thousands of dollars out of their own pocket and make them pay taxes they never would have had to pay otherwise, because Members of this House would be obliged to retire from Congress and their places would be taken by rich men who would not represent the workers of the country but who would represent only their masters, the big moneyed interests, and would vote accordingly. It is a delicate proposition to talk about your own salaries. When members of the American Federation of Labor went around to your door, to your door, to your door, and yours, speaking against pay cuts, their representatives told me that almost every Congressman interviewed said, "I will be willing to cut my own salary, but I would not think of cutting the wages of a charwoman; I do not believe in a cut in any salary below \$5,000 or \$2,500."

In reply to this the labor men said, "Well, that may be; we are glad to hear it; but we do not want a rich man's club in the House of Representatives; we want somebody who knows what labor is fighting for; we want somebody to represent the working people of the United States, not Wall Street, not just the big financial interests of the United States."

So I say to you do not vote to cut your own salaries, not for your own sakes but in justice to the people you represent in the Congress.

May the day never come when this will be a rich man's club.

I have always been proud to be a Member here, and I know that you are. I have always felt that regardless of where a Member came from he had a sincere and honest desire to legislate for the people of the United States. But if you have to leave Congress—and you have to leave Congress, and you, and you, because you can not live on \$10,000 a year and you will not be crooked—what is the House of Representatives coming to eventually? It is the people's

forum, where a Representative stands up and fights for the 90 per cent of the people of the United States who are not rich and who have not big incomes; and I hope when the time comes you will vote against any reduction of your own salary, that you will have the courage to do so for the sake of the people. I have made these statements on this floor before, and I repeat them again.

The General Electric Co., in my own city, laid off a thousand people during the last few months, after making a profit last year of \$50,000,000. The gentleman from New York referred to the American Telephone & Telegraph Co. That company has laid off 50,000 people, the organization of Mr. Gifford, the President's chairman, representative on the Unemployment Commission, yet that company made a profit of \$51,000,000 last year.

I saw some pay checks of the General Electric Co. in Lynn last week when I went home for two days. One of them was for a week's pay. Of course, it did not mean that the man was working all the week, but it represented all the work he had that week; and the amount of that check was \$2.75.

Edwin S. Smith, commissioner of labor and industries of the State of Massachusetts, made a report a few days ago that in the city of Fall River girls are being paid as low as 5 cents an hour. The pay of many of the girls is \$5 a week.

We have had three or four cuts in the big industries in the United States, and they are just waiting to see what Congress will do. Do not believe, gentlemen, that this cry for wage cuts is coming really from the working people of the United States. It is not coming from the people back on the farms; it is not coming from working people in the industries, but it is a clever piece of propaganda which has been put out by newspapers of the United States, backed by the men who know how to put out this propaganda, under the plea that we must cut governmental expenditures and must cut them to the bone if we are to balance the Budget, if we are to bring prosperity back to the United States.

Yet with all that we have thousands of people in the United States actually hungry, and millions of them out of work. The only solution which the Economy Committee and your experts on Government expenditures seem able to find is the age-old proposition, "Cut the wages of those who can not afford to take any cut. Cut the wages of the weak. They can not protest. They live in Washington. They do not vote back in my district. They live in Washington. Let us cut their wages and then we will please the big fellows in New York, in Chicago, and in the big financial centers," who are waiting for the chance to sit down with their board of directors, around a mahogany table, the directors getting \$10 gold pieces for being present at the directors' meeting, and then say, "Gentlemen, we have good news for you to-day. Congress has cut the wages of all Federal employees."

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. CONNERY. The statement is made, "The Congress of the United States has reached a point of sanity. During the consideration of the tax measure, when they were voting to put a surtax on the rich and to kill the sales tax, they were a wild, angry mob, but now that they are coming around to the point where they are taking care of the big interests of the country, they are a sane, respectable, and deliberative organization, the finest and greatest deliberative body in the world. And, gentlemen, the Congress has seen fit to cut the wages of charwomen, and have been noble enough to cut their own salaries and everybody in the Government. The President has kindly consented to work for \$1 a year." Well, I have the opinion—and these are my own remarks and not the remarks of the president of the board of directors—that the President of the United States would not put himself in the position of other dollar-a-year men who served so patriotically during the World War that they took everything except the Capitol before they left Washington.

I know the President is not that kind of a dollar-a-year man and I do not like to see that slogan raised again. I do not believe the President of the United States should work for \$1 a year. I think he should work for \$75,000 a year and put his time and effort into taking care of the 90 per cent of the people who can not afford to take wage cuts.

Mr. BOYLAN. Will the gentleman yield?

Mr. CONNERY. Yes.

Mr. BOYLAN. The gentleman said the Congress had provided these things. The gentleman does not mean that these efforts are going to be successful, does he?

Mr. CONNERY. Oh, no. I certainly hope not.

Mr. BOYLAN. The gentleman is giving us the impression that these efforts are going to succeed. I think the gentleman should dissipate that impression.

Mr. CONNERY. I wanted the gentleman from New York to know how the president of the board of directors of one of these big concerns would feel if this Congress were so foolish that it would put through these pay cuts. Now, to get back to the president of this board of directors. He says, "Congress has cut the wages of the charwomen and of all Government employees, so it behooves us, although we are paying dividends; we made \$50,000,000 last year and we are paying dividends to our stockholders, but it behooves us now to take advantage of this move on the part of this great deliberative body and cut wages some more, and then the people will eventually come to realize that all their labor organizations are for naught; that life, liberty, and the pursuit of happiness are only words in the Declaration of Independence; that the Constitution of the United States is merely a piece of paper, and that the only ones who are going to be represented in the Congress of the United States will be that little group of men who control 96 per cent of the wealth of this great United States." [Applause.]

Now, I have great faith in this House. During the consideration of the tax bill they said we were a mob because we voted to put up the surtaxes; that we were a mob when we defeated the sales tax; that we were a mob when we wanted to do something which would prevent the burden of taxation from being taken from the shoulders of the rich and placed upon the poor.

Mr. MAY. Will the gentleman yield?

Mr. CONNERY. Yes.

Mr. MAY. When did they arrive at the conclusion that the Members of this House were all jackasses?

Mr. CONNERY. They arrived at that conclusion the day we passed the Swing amendment to put the surtaxes up to 65 per cent; and I do not know what they are going to call the Senate before they get through with those surtaxes over there.

In the interest of the people of the country, in the interest of the working men and women who have faith in their country, the people who believe that the American flag is the most beautiful emblem of liberty in the world, the people who believe that they have been given an opportunity in coming to these shores to raise their families under decent living conditions and who think that the United States Government is the best government in the world, I hope that the House will defeat these pay cuts proposed by the Economy Committee.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. CONNERY. As chairman of the Committee on Labor, we had hearings on the Lewis bill, offered by the gentleman from Maryland [Mr. Lewis]. We had hearings on prevailing rates of wages since the Christmas recess. We had people come in from all parts of the United States and give us their testimony as to how they were living, as to what relief legislation they favored.

We had one picture painted before us of a man who worked for a contractor down on the Mississippi River. He worked for this contractor 10 days and got 12½ cents an hour. He paid 45 cents a week for ice water, he lived

in a tent and paid for his tent hire, and he bought his food from the commissary, and at the end of the 10 days, when he was discharged, he owed the contractor \$1.05.

Mr. LA GUARDIA. Was that 50 years ago?

Mr. CONNERY. That was this year; now.

Mr. LA GUARDIA. In this country?

Mr. CONNERY. In this country.

I got a letter last week from a gentleman in Louisiana who stated he had been working for a contractor. The Government of the United States took away the contract from the contractor and the Government is doing the work itself on flood control, and where the contractor was paying 20 cents an hour the Government is now paying 12½ cents an hour.

Gentlemen, those of you who have children can feel with satisfaction that your children at least have good food, good clothing, and a warm bed; but there are thousands and thousands of children in the country to-day who have poor food, scanty clothing, and who live in tenements and shacks with a few scanty sticks of furniture, and their fathers and mothers are facing the gaunt spectre of unemployment and in many cases actual hunger.

When you cut wages, remember you are not just cutting Government wages. You affect the wages of all industry throughout the United States, because as soon as you cut the big industrial corporations are going to cut their workers again and again, and I am pleading to you to-day for these little girls and these little boys with rickets, diseases brought about by undernourishment, dying, starving, in the homes of the United States, and I am asking you to fight these pay cuts and beat them so that the Constitution of the United States and the Declaration of Independence, again, will stand for life, liberty, and the pursuit of happiness, and a chance for little children like that to get decent food, decent clothing, decent homes, so that we may be proud of the country in which we live. [Applause.]

Mr. FULBRIGHT. Will the gentleman yield?

Mr. CONNERY. Yes.

Mr. FULBRIGHT. May I ask the gentleman whether he thinks a general cut in the wages of all employees throughout the country would mean a reduction in the price of farm commodities?

Mr. CONNERY. If you do not give them the purchasing power to buy, it does not make any difference whether you have any farm commodities or not, they can not buy them. That is the way it is now.

[Here the gavel fell.]

Mr. HARDY. Mr. Chairman, I yield five minutes to the gentleman from Pennsylvania [Mr. STOKES].

Mr. STOKES. Mr. Chairman, I hope the House will vote in favor of a salary reduction of at least 10 per cent with, say, an exemption of \$2,300. It would have a fine psychological effect, would tend to renew confidence of the people in the Government.

The saving would amount to considerable and would be regarded by the people as a real contribution by Congress toward retrenchment and economy. England has done it and has balanced her budget, with the result of better business, better credit, and less unemployment. The pound has advanced from \$3.40 to \$3.70.

Most of the cities, towns, and municipalities have reduced salaries in accordance with reduced receipts from their taxes. The people desire it; let their will be supreme.

I am strongly of the opinion that we have got to reduce the salaries of employees, even if we do not like it—and none of us do like it—for most of us are poor men. But it would have a splendid psychological effect on the country. The country has lost confidence in their Government. There is no doubt about that. It would tend to restore confidence in the Government by the people. While the saving would be considerable, it would be a contribution by Members of Congress.

Mr. MAAS. Will the gentleman yield?

Mr. STOKES. I yield.

Mr. MAAS. Is not that making the Federal employees the victim of political expediency? You are not discussing

the merits of it, you are saying it is for political psychology, for reelection—I do not impute that motive to the gentleman, but that is all it will do.

Mr. STOKES. Every man, woman, and child in the country to-day is giving up something, even if it is only food. We have got to do our share and give up something as well as the other people of the country.

Mr. SIROVICH. Does not the gentleman think it would be wise to raise the standard up instead of pulling it down?

Mr. STOKES. We will be contributing so much.

Mr. SIROVICH. If the gentleman finds a man in the gutter, he will pull him out instead of lying down with him. [Laughter.]

Mr. STOKES. I want to say one word more, and I am through. England has done this, England has cut her salaries right and left, and she has balanced her budget. What is the result? She has less unemployment, better business, her credit is coming up, the pound sterling has risen from \$3.20 to \$3.70. In a matter of this sort why should we let England get ahead of us? I think I have faith in you, faith in the American people, and in that God who has never deserted us. [Applause.]

Mr. HARDY. Mr. Chairman, I yield five minutes to the gentleman from Illinois [Mr. HOLADAY].

Mr. HOLADAY. Mr. Chairman, the real question before Congress is whether or not the expenses of this Government will be reduced. That is the basic question that we must decide. I am frank to confess to you that I do not know of any way that these expenses can be reduced much below the figures in the appropriation bills that have been so far reported and those to be reported hereafter unless we either reduce the number of employees that are drawing salaries from public funds or reduce the salaries of those that are on the public pay roll.

Salaries must always be considered on a comparative basis. When this country was prosperous, when salaries in private business had been advanced to the highest point that we had ever known in this country, the expenses of our Government increased. More and more people were placed on the public pay rolls and the salaries of those on the pay roll were increased. Their leave of absence, vacations, sick leave, retirement, and pension provisions were all increased.

Then there came the day when we were not experiencing in this country the prosperity we had heretofore enjoyed. You talk about the effect that salary cuts may have on wages. It is idle not to take notice of the fact that wages in all private lines have already been reduced. They have been reduced 20 per cent, 30 and 40 per cent, and in some instances more than 50 per cent.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. HOLADAY. Yes.

Mr. FITZPATRICK. Can the gentleman tell us what the difference was between the salaries of Federal employees and people in private life two or three years ago?

Mr. HOLADAY. During war time, when we were at the height of our prosperity, I am frank to say to my friend from New York that people in private industry were drawing more than those in Government service, but we must remember that there are certain additional advantages in the Government service, and they stand out to-day perhaps as they never have stood out before. The people in the service of the Government have steady employment. In my district, and I live in a county in Illinois that ranks second or third in the production of coal, the conditions are better perhaps than in any other coal-mining county in Illinois, because the principal mines there are owned by the United States Steel Co., and that company consumes its own coal and does not sell on the open market. Yet about one-third of the miners in that district have been laid off.

Mr. McCORMACK. Why?

Mr. HOLADAY. Because there is no demand for the coal.

Mr. McCORMACK. Why is not there a demand for the coal?

Mr. HOLADAY. Because the purchaser, the manufacturer, is not buying.

Mr. McCORMACK. Why does he not want it?

Mr. HOLADAY. Because he can not find a market for his product.

Mr. McCORMACK. Why can not he find a market for his product?

Mr. HOLADAY. Because the purchasers have not the money.

Mr. McCORMACK. And one of the reasons why they have not got the money is lack of employment and reduction of wages, is it not?

Mr. HOLADAY. I am glad the gentleman asked that question. Let us follow out his theory. If the gentleman's theory is correct, then the thing that this Congress should do is to double immediately the number of people on the Government pay rolls and double their salaries?

Mr. McCORMACK. Oh, no.

Mr. HOLADAY. Then we would have great prosperity. That is the logical conclusion of the gentleman's theory.

Mr. McCORMACK. As long as the gentleman undertakes to state what is the logical conclusion of my theory, permit me to say—

Mr. HOLADAY. That is the logical conclusion that I draw from it.

Mr. McCORMACK. Oh, very well.

Mr. FITZPATRICK. We appropriated \$132,000,000 about four weeks ago for road construction. What for? To put people to work.

Mr. HOLADAY. I do not know why the gentleman voted for it. I did not vote for it.

Mr. FITZPATRICK. But that was the argument here on the floor.

Mr. HOLADAY. I suppose that is the theory, but here is the thing that we must consider. My friend from New York asked the question, When a man is in the gutter, do you want to lift him up or do you want to get down beside him? The answer to that of course is plain, but the next question is, how are you going to lift him up?

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. HOLADAY. Yes; if the gentleman can tell me the answer to that.

Mr. SIROVICH. I shall be very glad to give the answer to it. In 1928 before our Civil Service Committee, at the height of the greatest prosperity of our country, a bill was introduced which unanimously passed the committee increasing the living wages of American working people, working for the Government. President Coolidge signed it. It carried about \$18,000,000, giving the American men and women who work for the Government an increase of \$180 a year. When these people came before our committee, they cried. Some of the men said that they had no shoes, that they had to wear one suit of clothes the year round, that they had to go to the dispensary when sick, that in hospitals they had to go in with the charitable service cases. That was during the height of prosperity. Now here in times of adversity, with conditions worse if that is the way they were in times of prosperity, how will they be if you reduce their salaries more?

Mr. HOLADAY. I do not know to whom the gentleman refers, or the bill. But, gentlemen, the question is, Do you want to reduce the cost of government? If you think that it is a bad economic policy to undertake to reduce the cost of government, if that is your honest belief, then I have no quarrel with you. That is your theory of economics.

Mr. BARBOUR. Mr. Chairman, will the gentleman yield?

Mr. HOLADAY. Yes.

Mr. BARBOUR. Would the gentleman be willing to reduce the river and harbor appropriations by \$20,000,000?

Mr. HOLADAY. I would.

Mr. BARBOUR. If we do that, we would not have to cut these salaries in the lower brackets anyway.

Mr. HOLADAY. I am frank to state my personal opinion. I do not favor the reduction of salaries in the lower brackets.

Mr. BARBOUR. What is the maximum that the gentleman would exempt?

Mr. HOLADAY. I would exempt up to \$2,000 or \$2,500.

Mr. SIROVICH. Would the gentleman be good enough to accept a cut of \$20,000,000 in the enforcement of the prohibition law, which is not enforced? [Applause.]

Mr. HOLADAY. I do not remember just what the total amount appropriated is.

Mr. SIROVICH. It is about \$50,000,000 to \$60,000,000 a year.

Mr. HOLADAY. I know the gentleman and I do not entirely agree upon the wet and dry question, but I am willing to apply the same cut to the law enforcement division that I urge for any other department.

Mr. SIROVICH. I am talking as one who never drinks; but I think that if you would cut off half of the enforcement money for prohibition, we would not have any debate here at all.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. HARDY. I yield the gentleman five additional minutes.

Mr. MAAS. Is not the gentleman afraid that if we launch upon a policy of cutting salaries now we are serving notice on the country that we have so completely lost confidence in the future of the country that it will start a panic in itself?

Mr. HOLADAY. No; I do not believe that, because I think private industry has already cut its salaries. I look at the question this way, gentlemen. We have millions of people who are out of employment or who have had their income reduced. Is it right that because a man is drawing his pay from public funds he should not accept a cut? The public to-day is demanding that there be a reduction in the expenses of our Government; and I am just pointing out to you that I do not know of any way—I wish I did—but I do not know of any way we can reduce those expenses unless we reduce the number of people on the public pay roll and the salaries we are paying.

Mr. MAAS. How much of the Federal Budget goes into salaries anyway? Does the gentleman know?

Mr. HOLADAY. I do not know off-hand.

Mr. MAAS. It is from 12 to 18 per cent, not over 18 per cent at the present time. Why not have the Government cease performing so many paternalistic functions for the people? There is a real chance to effect savings.

Mr. HOLADAY. I am glad the gentleman asked that question. Let us consider the facts for a moment. About 55 per cent of all the money appropriated goes to pay war debts and interest, pensions, compensation, and hospital care of the veterans of our wars, 55 and a fraction per cent. Do you want to reduce the pensions? Do you want to reduce the hospital facilities? No one seriously urges that.

Mr. CONNERY. I understand that the Economy Committee is going to come in with a proposition to take off the \$50 a month from arrested T B cases; they are going to cut that out and reach into other soldier legislation on the ground of economy.

Mr. HOLADAY. I do not know just what they are going to propose.

Mr. CONNERY. They are going to bring in a lot of recommendations cutting down on aid to disabled men and other aid to veterans.

Mr. MAAS. What we are trying to do is to restore prosperity.

Mr. HOLADAY. That is what we hope to do.

Mr. MAAS. Has the gentleman ever heard of a period of prosperity when salaries were low?

Mr. HOLADAY. I do not know that I have. [Laughter.]

Mr. MAAS. Does the gentleman think he ever will?

Mr. HOLADAY. But is it going to bring prosperity to the nine men that are on a low wage to tax them to maintain the high wage of the tenth man?

Mr. CONNERY. Will the gentleman yield?

Mr. HOLADAY. Yes.

Mr. CONNERY. The banks have a lot of money on hand, and the example I am going to cite came out during the testimony taken before the Ways and Means Committee.

The banks have a lot of money on hand, but you can not get a loan from a bank unless you give them your right eye, your right ear, your nose, and a lot of other things besides.

Mr. HOLADAY. I agree with the gentleman on that.

Mr. CONNERY. I am glad the gentleman agrees with me. The situation in my State is such that a contractor having contracts to build a number of houses could not get a loan from the banks with which to construct those houses. Do you think that the cutting of Federal salaries is going to make the banks lend any more money or help bring back prosperity?

Mr. HOLADAY. I do not know that it will have any particular effect one way or the other on the banks making loans; I do not see why it should. But, coming back to the question of the gentleman from Minnesota, about 55 per cent of the appropriations goes for war debts and interest, pensions, hospitalization, and so forth; but the gentleman does not want to reduce that. About 16 per cent goes for national defense, about 9 per cent for public works, rivers and harbors, public buildings, roads, and so forth. Some cuts can be made there. Personally, I think the amount that goes for salaries is much greater than the amount that has been mentioned.

Mr. HARDY. Will the gentleman yield?

Mr. HOLADAY. Certainly.

Mr. HARDY. I think the salary roll is about \$1,350,000,000 a year.

Mr. HOLADAY. That runs to about 33 per cent.

[Here the gavel fell.]

Mr. HARDY. I yield the gentleman five additional minutes.

Mr. McMILLAN. Will the gentleman yield?

Mr. HOLADAY. Certainly.

Mr. McMILLAN. I want to call the attention of the gentleman to a statement appearing in a magazine entitled "The Post Office Clerk," the April, 1932, issue, which says:

Twenty-six per cent of these employees receive less than \$1,200 per annum, 57 per cent less than \$2,000 per annum, and 95½ per cent less than \$3,000 per annum. Only 4,736 out of this vast salary list receive from \$5,000 upward, and this includes Cabinet officers, bureau chiefs, and a few scientists who are at the top of their respective professions.

Now, referring to the question asked by the gentleman from California—and I understand the gentleman is willing to exempt employees under \$2,000—how many men will be affected and how much money will be saved by a reduction of this kind.

Mr. HOLADAY. If every time a reduction is proposed, we are to be met with the objection that that particular reduction will not amount to very much, considered in the sum total—and that assertion will be correct—we will not effect any savings, because the amount that is spent for any particular activity of the Government is not a large percentage of the whole. The only way we can get any material reduction in expenses is to make some reduction all down the line, not only in salaries but, for instance, in public improvements. Admitting that most of them are necessary and desirable, a great many of them can be postponed. Then I have a little private hobby in connection with savings on the publications the Government is printing. If we would save it all, it would not amount to very much, considered with the whole, but all of these savings together will, when summed up, amount to a considerable sum.

Mr. MAY. Will the gentleman yield?

Mr. HOLADAY. Yes.

Mr. MAY. I would like to ask the gentleman if it is not a fact that last week we had under consideration the Vinson amendment to an appropriation bill proposing to abolish the positions of the members of the Farm Board and put the duties of the Farm Board under the Department of Agriculture, thus bringing about a saving of \$125,000 a year on salaries there, and I would like to ask the gentleman how he voted on that proposition.

Mr. HOLADAY. I am perfectly willing to state I come from a farming district. I voted for the amendment to reduce the sum total. I voted against the Vinson amendment. I do not believe that here on the floor, without any

mature deliberation, it is always safe to vote for the consolidation of departments simply on the statement that money will be saved. However, I am not so sure that after we have gone along a year or so there may be effected some consolidation whereby the Farm Board and its duties may be carried over into the Agricultural Department and the work of that board that is profitable and desirable carried on at a less expense.

Mr. FULBRIGHT. Will the gentleman yield?

Mr. HOLADAY. Yes.

Mr. FULBRIGHT. At the present time, with the present price of farm commodities, a dozen eggs will purchase two postage stamps under the rates fixed in the recent revenue bill. Does the gentleman believe the Farm Board will be able to stabilize prices along about that level?

Mr. HOLADAY. In Illinois we produce a better grade of eggs and we can get more postage stamps for a dozen eggs.

Mr. SIROVICH. Will the gentleman yield?

Mr. HOLADAY. Yes.

Mr. SIROVICH. In order that I might not be accused of asking an unfair question, I want to say that for four years I have been president of a large national bank in New York City and have investigated with other banking men the great bankruptcies that have been going on for years, and we find that \$1,200,000,000 has been lost in bankruptcies, for which the creditors have received only 7 cents on the dollar. Therefore I am of the opinion that if you reduce the salaries of the working people of our country you will thereby diminish their ability to buy more and thus you will have more bankruptcies than ever before.

[Here the gavel fell.]

Mr. SANDLIN. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. McCormack].

Mr. McCormack. Mr. Chairman, I have enjoyed very much listening to my distinguished friend, Mr. HOLADAY, who has just addressed the committee. There is no Member of the House for whom I have a higher feeling of respect than I have for the gentleman who has just finished. That the gentleman has a very fine disposition was evidenced by his willingness to yield to every Member who sought to interrogate him. [Applause.] However, I am sorry that I can not agree with him. I can not agree with him for the reason that he so frankly admitted was one of the main causes of our present economic distress, the lack of purchasing power on the part of the general public. I think the gentleman from California [Mr. BARBOUR] hit the situation on the nub when he said the present depression centered around purchasing power.

We hear a lot of talk about overproduction, and it is true; but the opposite of overproduction, underconsumption, is equally true. Overproduction never exists where there is a sufficient demand on the part of the general public to consume that which is either produced on the farm or manufactured in industry. Therefore, if overproduction exists—and everybody concedes that it does—it is because of underconsumption, and the reason for underconsumption is the lack of purchasing power, occasioned, in the first instance, by the fact that millions of our workers are unemployed and the fact that millions of others are employed part time; and, in the second instance, by the sharp reduction in wages that has taken place in industry.

It is now proposed to decrease the wages of those in the Federal service. It is proposed to do so at a time when fear permeates the entire country! When the main obstacle to the starting of our return to normalcy is fear; fear that properly exists in the minds of practically every person in the United States dependent upon a position for a livelihood; fear not only of the workers but fear in the minds of the farmers; fear in the minds of their families; fear of economic slavery far worse than the slavery of old, because in those days the master took care of the slave; fear of a condition of economic slavery on account of either unemployment or fear of unemployment.

On the part of those who are part-time employed, fear that to-morrow they may report to their place of employment and be informed that their services are no longer

required. Fear in the minds of those who are fortunately employed full time, in not knowing what day or what minute they are going to receive notice that their services, at least temporarily, are no longer required.

Back of this is the home; back of this is the family; every member having fear implanted in his or her mind.

We are faced with a psychology of fear, and before we start any return to normalcy fear must be supplanted by a feeling of confidence. Oh, how I would like to see the American Legion or the President of the United States conduct a great drive, a great victory drive, to try to remove fear from the minds of the American public, calling upon our employers to advise those in their service that for at least a period of six months they need have no fear of being displaced in their employment, and for a period of six months or a year there will be no further reduction in wages, a great campaign throughout the country with 4-minute speeches, as we had during the war to sell Liberty bonds, trying to drive fear, that properly exists at the present time in the minds of the people, out of their minds and to try to bring back a feeling of confidence.

With this great feeling of fear prevalent throughout the country it is now proposed by the Federal Government to reduce the wages of those who are in its employ. Such an act will not confine itself to those in the employ of the Federal Government. It will extend beyond those who are in the actual employment of the Government. It will result in a psychological condition, as a result of which the present fear will become aggravated, and instead of improving it will tend to aggravate existing conditions and add to the feeling of fear that exists in the minds of the public at large.

We do not have to fear for our country. We are going to come out of this depression. America always comes back. I can not agree with my friend from Kansas [Mr. McGugin], although I admire him for his courage, who, in substance, said that the country is going to hell. America had its depression in 1831. We had it in 1873, we had it in the nineties, and we have had two touches of it since 1900, but America has always come back, and America will come back again. [Applause.] We will come back when we drive out fear, but we will never drive out fear by bringing about a sharp reduction in the wages of those in the Federal service and by further wage reductions of those in private employ.

For 12 years we have been trying to drive out bureaucracy in this country; bureaucracy which has made rapid progress since the early years of the nineteen hundreds; bureaucracy which the framers of the Constitution never intended; bureaucracy which, when finally consummated, is the enemy of democracy and representative government such as we enjoy; bureaucracy which we all realize is the opposite of our form of government and the framework of the government as established by the founders of our country. That is the place for us to hit, and now is the time for the Economy Committee to render a real service, not only to those of this generation but to the generations of Americans to come, through a reorganization of departments and bureaus and the elimination of the bureaucratic tendencies and the highly centralized form of government that exists in the Federal Government to-day.

Mr. McGUGIN. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. McGUGIN. Of the 30 bureaus for which we appropriated last week, 29 required \$37,000,000, the thirtieth bureau being the Veterans' Bureau that handles all matters relating to veterans. So, from the standpoint of economy there is not much to be hoped for as far as the elimination of bureaus or commissions is concerned, is there?

Mr. McCORMACK. We have over 60 departments and independent bureaus. Everybody recognizes that bureaucratic government is destructive of our dual system of government.

Mr. McGUGIN. I grant that.

Mr. McCORMACK. Everybody realizes that the people of different sections have different economic questions and problems. The people of the South have different problems

from the people of the North, East, or West, and the best way of administering and of carrying out of American public opinion is through the several States, and these bureaus in constantly encroaching upon the duties and responsibilities of the States and in extending their jurisdiction are doing so at the expense of the several States, resulting gradually in a destruction of our dual system of government, the State being submerged in the highly centralized Federal Government, a condition that exists purely as a result of bureaucratic tendencies that started about 30 years ago.

Mr. McGUGIN. As a principle of government that is true, but so far as the cost is concerned it is only about \$37,000,000.

[Here the gavel fell.]

Mr. SANDLIN. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. BLANTON. Will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. BLANTON. The gentleman from Kansas [Mr. McGugin] seems to think that the independent offices that we considered last week are the only bureaus we have. Compared with the bureaus in the departments, the independent offices are too insignificant to mention. If the gentleman from Kansas will examine each one of the 10 departments of government, he will find they are honeycombed with useless and unnecessary bureaus and that these bureaus are enlarging their personnel all the time at tremendously high salaries.

Mr. McCORMACK. And there are laws being passed giving them powers which extend the bureaucratic system that already exists.

Mr. BLANTON. And two-thirds of them right now could be abolished without hurting the business of the Government at all.

Mr. McCORMACK. I agree that many of them could be abolished and that we should abolish them. The Economy Committee has an opportunity to render a real public service. They are only hitting the surface, when there is opportunity for rendering a real service that the American public demands and will always appreciate. They would be rendering a service that would bring results, and which would be the means of preserving our principles of government as intended by the framers of the Constitution.

Mr. CONNERY. A member of the Committee on the Merchant Marine, Radio, and Fisheries informed me that his committee is going to report a bill combining several bureaus in the Shipping Board and saving about a million dollars. There is one answer to the gentleman.

Mr. McCORMACK. Now, I only have a minute or two left, and I want to say that salary reduction is not the solution; it will result in a further diminution of the purchasing power. We have an opportunity in Congress now to accomplish something the American people have been looking forward to for the last 10 or 12 years; to take bureaucracy out of the Government. Few realize the extent that this bureaucratic system has developed in the past 25 years, but everyone realizes that it has affected representative government. We have the opportunity now, with public opinion behind us, to strike a blow at this sinister, insidious system which has crept into our Government, and let us remove it for all time. [Applause.]

Mr. SANDLIN. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. MAY].

Mr. MAY. Mr. Chairman, ladies and gentlemen of the committee, I hope I shall not disappoint you by not discussing the question of the reduction of salaries, or the necessary reduction of the expenses of the Government. I want to talk to you this afternoon about a question that to my mind will bring back prosperity to the country, and that of itself will solve many of the problems now unsolved. If we had real prosperity in the United States like we had in 1928 and prior thereto, and like we had following the World War, we would have no trouble at all in balancing the Budget, because the sources of revenue would be replenished and the income would be sufficient to pay the expenses of the Government, which we must admit are now out of all reason.

I want to take a few minutes of time on the discussion of the subject of cash payment of the soldiers' adjusted-service certificates, commonly known as the bonus certificates. If I felt that the payment of these certificates under the provisions of the Patman bill would result in a further paralysis of business in this country or retard the recovery of the country, I would not appear before you on the floor in favor of the passage of that bill. But I am as much convinced as I am that I live to-day that the payment of adjusted-service certificates by the issue of currency will bring back prosperity to this country.

It has been admitted that so far as our country is concerned the law requires only a deposit of 40 per cent gold against the Treasury currency.

The statement of March 1, 1932, of the United States Treasury shows that we have in gold and gold bullion in the United States Treasury \$3,440,927,648.42. Against that we have issued in gold certificates outstanding and Federal reserves notes a total of \$3,195,969,779.02, together with a gold reserve of \$156,000,000, making a total of \$3,351,969,779.02.

Now, if 40 per cent of that amount only is required to secure these Treasury notes, then the other 60 per cent that is not required to secure them would equal the sum of \$2,011,181,867.51.

So we have, in fact, in the Treasury of the United States gold in the amount almost equal to the proposed issue of currency, whereas the law requires only 40 per cent gold and 60 per cent good faith.

I am one of the Members of this House that happens to be optimist enough to believe that this country, in the midst of this depression—I am optimist enough to believe that the people of the United States and their good faith are sufficient for 60 per cent of all its obligations. [Applause.] Our whole credit structure must rest upon the faith of the people in their own Government.

There is another feature of this proposal, and that is this: According to figures obtained this afternoon from the office of General Hines, Director of Veterans' Affairs, there was heretofore loaned to veterans on certificates \$1,358,000,000, approximately. There is in the fund for the redemption of these certificates at maturity, to-day, a little bit in excess of \$1,000,000,000. That is not idle talk at all. That is a statement from the Director of the Veterans' Bureau this afternoon. So that as a matter of fact the Government has in the Treasury in a fund a sufficient sum to balance the account against outstanding loans and has more than \$2,000,000,000 in gold on which to issue currency with which to take care of the remaining 50 per cent unpaid on these adjusted-service certificates. What will be the effect of it? We passed a bill here during the winter known as the Reconstruction Finance Corporation bill. We authorized the issue of indebtedness against the Treasury of \$2,000,000,000, and when we did that we set up a bureaucracy that started with 800 employees in one building in Washington and \$150,000 annual rent, to be paid in advance. What are they doing? They are loaning the money to the banks, the insurance companies, to the railroad companies, while two and a half million soldiers in America are starving, waiting for the payment of a debt honestly due them and unpaid by the Government. What will be the effect of issuing this currency?

When it is issued under the provisions of the Patman bill or the bill in the Senate it will go to two and a half million spots in the United States and go into the pockets of the young man on the farm, the young man in the factory, the young man in the office, the young druggist, the merchant, the farmer; it will go all over this land and become a real circulating medium, while these great loans to these gigantic corporations go into the banks and find their way back into the money centers and get out of circulation within a short time after they are advanced.

Mr. LANKFORD of Georgia. Does the gentleman from Kentucky think the payment of the bonus would do as much in bringing back prosperity as the foreign-debt moratorium and the Reconstruction Finance Corporation act?

Mr. MAY. I think it would do infinitely more. As an old lawyer used to say down in my district, there will be more to pay for fat and flour when this bonus is paid than there will be with all that the Reconstruction Finance Corporation has advanced.

Mr. WOLCOTT. May I suggest to the gentleman that in computing the amount in the Veterans' Bureau as a credit against these loans he should add to that nearly \$20,000,000 which the Government has made on the difference between the rate of interest which the Government paid for the money and the rate of interest that the service men paid.

Mr. MAY. That is correct. The rate of interest at which the Government obtained the money was 2 per cent and the rate of interest at which they loaned it to the soldier is 4½ per cent, a difference or a profit of 2½ per cent. Not only that, but \$750,000,000 has been laid up in this insurance fund already on hand. Think of a Government charging its heroic defenders in time of danger usury.

Mr. KELLER. I do not see why we should not pay that difference. Does the gentleman?

Mr. MAY. It is nothing but equity and fairness that it should be paid to the soldiers, but they are not even asking for the return of the excess interest. They are merely asking for the crumbs that fall from the tables of the rich man.

Mr. KELLER. We ought to give it to them anyhow.

Mr. MAY. Each man is entitled to a fair, square deal. I would like to illustrate what this means to my home county, and I take that county because the population and the figures are about even. My home county has a population of 40,000 people, including women and children. It has living within it holders of adjusted-service certificates to the number of 800. It has been stated on the floor of the House and the Record shows that the average amount of the adjusted-service certificates is \$1,000. The remaining unpaid 50 per cent of the \$1,000 would mean \$500 to each of 800 soldiers in my home county, or \$400,000, which would go into circulation immediately.

Based on a population of 40,000 people, that means \$10 to every man, woman, and child in my county put out in this one administration of public funds, and that beats any loan to the Pennsylvania Railroad Co. from the Reconstruction Finance Corporation. What else? A great deal has been said here about the earning capacity of the people. There are three things that all economists agree upon. First, the prosperity of any country depends upon the purchasing power of the people of that country. Second, whoever controls the money of any nation controls its commerce and business. Third, whoever controls the commerce and business of any nation controls and dominates its government. That is the condition of America to-day. You talk about a square deal. These soldiers waded in muck and stood in the trenches and starved in the fields of France, bleeding and dying for the flag of this country at a dollar a day, with most of it taken for insurance and other expenses, while at the same time the \$4 carpenter was receiving \$10 a day wages, the \$6 a day bricklayer was receiving \$15 a day wages, and these dollar-a-year patriots that we had during the world war were receiving a dollar a year, but on the side they had contracts with dummy corporations organized to take advantage of the cost plus 20 per cent proposition, and the 20 per cent ran into millions of dollars. Then after the war had been won by these heroes for whom I speak, and they came marching triumphantly home to receive the plaudits of a grateful country, they were given the glad hand for a time and the Congress awarded them these certificates as a small compensation for their sacrifices and their heroism. At the same time this Government gave back to railroad companies, rich contractors, and great corporations billions of glittering gold, and not a word of protest. Now, when it comes to the question of the Government keeping faith with our soldiery, a storm of protest comes, not from the plain people of America, but from the great banks, trust companies, and other big interests.

The howl against the payment of the adjusted-service certificates to-day is coming from those sources, not from

the farmer or the workingman of this country. It is coming from the money centers in Wall Street and the other places in this country where money is hoarded. Ah! They talk about prosperity. If it is left to me to extend the hand of helpfulness to the great, gigantic interests of this country—and I want to see them prosper—or to the poor and humble, I will every time reach down to the hand of the man who served the flag of the United States in obedience to the edict of this Congress over the bayonets and machine guns of the Germans and over the trenches and barbed wire of "no man's land" and carried back and planted above the Speaker's desk the Stars and Stripes victoriously as the emblem of this country. [Applause.]

Mr. CONNERY. What is the gentleman's reaction to the effort of the big metropolitan newspapers who are going to teach the service men patriotism, saying to the service man, "You must be patriotic; you must not put your hand into the Public Treasury."

Mr. MAY. I would like to answer that, Mr. Chairman, in the language of soldiers themselves, soldiers from my own district in the mountains of Kentucky. The largest coal-operating company in that district—and it is almost exclusively a coal field—has shut down its works and discharged 1,400 employees, in the town of Jenkins, a town having a population of about 7,000. This morning I received a telegram from a group of World War veterans gathered in that town.

[Here the gavel fell.]

Mr. SANDLIN. I yield the gentleman one additional minute.

Mr. MAY. The telegram reads as follows:

JENKINS, KY., April 12, 1932.

Hon. A. J. May,

Member of Congress, Washington:

We, the undersigned veterans of the World War of this immediate section of Kentucky, tenth congressional district, do hereby subscribe our names in favor of the proposed legislation favoring payment in full of bonus. Reasons: Certain legion posts with chosen groups are endeavoring to misguide officials relative to the exact status and well-being of the majority of the veterans throughout this section of eastern Kentucky. Ninety per cent of the veterans of eastern Kentucky are now merely existing and living under conditions that are deplorable, many without employment due to depressed condition, with no relief in sight. We believe in our Government and feel that it is capable of meeting this just demand of its defenders. We believe that if it can release millions daily to the capitalists and financiers of New York through Reconstruction Finance Corporation whereby the veteran can not hope to be benefited and yet legislate laws whereby the deficit can be budgeted, then it is also capable of constructive legislation in favor of the veteran to whom it is justly indebted. We are depending upon you as our Representative to voice and vote our sentiments and each individual veteran of eastern Kentucky will closely follow your actions during this movement.

THE VETERANS,

By W. H. McDONOUGH.

Mr. Chairman and gentlemen of the committee, that telegram shows the patriotism of the soldiers of our country. That expresses their loyalty and devotion to their country, but from the cohorts of avarice and greed there comes not the consolation of the message "Ask and ye shall receive, knock and it shall be opened unto you." Nay, verily. I think a stanza from the poem, *The Moneyless Man*, by the immortal Stanton, of Kentucky, adequately expresses the attitude of the opponents of this legislation. Stanton said:

Go, look in the banks, where Mammon has told
His hundreds and thousands of silver and gold;
Where, safe from the hands of the starving and poor,
Lies pile upon pile of the glittering ore!
Walk up to their counters—ah, there you may stay
'Til your limbs grow old, 'til your hairs grow gray,
And you'll find at the banks not one of the clan
With money to lend to a moneyless man!

No, Mr. Chairman, "They ask for bread and are given a stone." [Applause.]

Mr. SANDLIN. I yield 10 minutes to the gentleman from New York [Mr. BOYLAN].

Mr. BOYLAN. Mr. Chairman, this morning after four days of rainfall the sun shone, the birds were singing, and all nature seemed to lift its head, as it were, with the joy and gladness of a new bright day, and I know we all felt cheerful; I know I was glad that I was permitted to live

another day. I went on with a bright, optimistic spirit until I came in and sat down here and heard some of the speeches this afternoon.

In particular I noted the speech of my distinguished friend from Kansas, Mr. McGUGIN. I hope he is here. But the optimistic spirit that filled me sank into my very boots. In fear and trembling I looked around as he said, "The Government is failing; we are sinking fast." In a moment I expect to see sheriffs entering the door to take possession of the Speaker's mace, or anything of value that any of the Members had, but we have survived it, the Government still lives. Ah, here comes the gentleman [Mr. McGUGIN]! The golden halo of optimism of a better and brighter day gave way to fear and trembling; I feared for the safety of the Republic. He said, "We were on the verge of a precipice"; everything was dark and gloomy, and no doubt the winds were whistling over the prairie lands of Kansas. [Laughter.] It seemed as if hope was everlastingly lost. Yet, on account of the esteem and regard in which I hold the gentleman, I wondered if he was willing that that pessimistic note he sounded should go out over the broad fields of his native State; and deep down in my heart I felt that he was not, because I know he is a man of strength and ideals, that he would like to inspire his people with confidence that things are going to get better and brighter. If we do not sound that psychological note here and send it throughout the country, how are our people going to take heart?

It has been said that the Congress ought to take a cut in its salary. Why, we have taken a cut! If any man sitting in this House now can perform this job of being a Congressman, support a home in his native town, live half way decently in Washington, and do it on \$10,000 a year, I would like to have him stand up and be identified for the RECORD.

Mr. McGUGIN. You can count me in that class without my standing up. [Applause and laughter.]

Mr. BOYLAN. Of course, these rich lawyers from Kansas can afford to do that; but I am speaking of those who try to live on the mere salary received here.

Mr. McGUGIN. Will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. McGUGIN. I am very glad to let the RECORD show that I am living within the salary which I receive here.

Mr. BOYLAN. But are you?

Mr. McGUGIN. I am also managing my own home in Coffeyville and paying some on my debts.

Mr. BOYLAN. I do not like to be personal, but I do not think the gentleman would be able to do that and support a family, too. [Laughter.] Perhaps the gentleman is a bachelor.

Mr. McGUGIN. My family is limited to my wife, but she has not yet sued me for divorce on the ground of nonsupport. [Laughter.]

Mr. BOYLAN. I think the gentleman is a wonder. [Laughter.] If he could, I would like for him to put in the RECORD how he does it; I think we would all be delighted to know.

Mr. DELANEY. Will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. DELANEY. The fact the gentleman admits that he is now paying off his debts would indicate that he has not been able to live within the salary he is receiving.

Mr. BOYLAN. That is exactly what it shows, unless he can offer some further explanation.

Mr. McGUGIN. The debts were of longer standing than my tenure in office here.

Mr. BOYLAN. I wish the gentleman did not have any debts. I dislike to see anybody burdened with debts.

Mr. McGUGIN. Please do not hate me, but just hate the debts.

Mr. SIROVICH. Will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. SIROVICH. Possibly the debts which the gentleman says he is paying off may be a part of the debts he incurred in being elected to Congress.

Mr. BOYLAN. I do not know what the gentleman's election statement may show about that, so I will not ask him that question. When the Department of Justice bill was before this House I showed a way of saving money. I proposed an amendment that we cut the prohibition-enforcement appropriation \$3,000,000. It could have been done without any trouble, but there was no responsive answer here. But lo and behold, gentlemen, in another body, to my amazement, yesterday they went and cut that sacred appropriation—just imagine their temerity in slashing that sacred item—\$1,000,000.

Mr. McGUGIN. Will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. McGUGIN. In keeping with the statements of the gentleman from New York and the gentleman from Massachusetts, that we abolish bureaus of various kinds, that would mean that salaries would be cut 100 per cent, so I can not understand why gentlemen should object to an 11 per cent cut when they are suggesting cuts that would amount to 100 per cent.

Mr. BOYLAN. We are already cut. That is the argument I make. We are already cut. You take the white-collar population, for instance, in which class we find Government employees. They are in that class, as the gentleman knows. After the war and in the days of the great prosperity of our country the salaries of per diem men and of artisans were increased, but the salaries of white-collar men were not increased proportionately. The gentleman well knows that, because it is a matter of record. Therefore they did not get the benefit of the high wages during the prosperous times, and even now, in addition to that low wage, you want to cut them further.

Mr. SIROVICH. Will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. SIROVICH. Does the distinguished gentleman know that in some of the department stores in New York City many working girls have been put on a commission basis, and they do not even earn as much as 10 cents with which to pay their car fare in going to and from their work? So I believe that if you continue to reduce the salaries of our employees, you will eventually find them admitted to the hospitals because of starvation.

Mr. BOYLAN. That is very true. The doctor has had wide experience. He is familiar with hospital conditions in the city of New York, and he speaks intelligently when he makes these statements to the House.

Now, about the question of budgets. We hear so much about budgets everywhere. These Federal employees are living on a budget too. Remember, gentlemen, their budget is not of one year's duration. Many of them are buying little homes in Maryland, Virginia, or out toward the District line. They probably paid \$500 or \$600 down as a first payment, and they are probably paying \$50 or \$60 a month in order that they may eventually own that little home. Now, if you are going to cut them 10 or 11 per cent or 5 or 2 or any per cent, you are disorganizing their budget. The great Congress of the United States ought to set an example to our people. We are everlastingly saying we must balance our Budget, yet you want to throw the budgets of these white-collar workers, the Federal employees of the Government, out of alignment. How can they meet their obligations if you cut their salaries?

The way certain men get on this floor and talk about the Federal employees, to my mind, is unfair. It is really disgraceful. They insult the splendid men and women who have given up their lives to the Federal service. They have adopted the Federal service as a career, and yet we have here men who are constantly saying, "Reduce salaries; abolish positions."

That seems to be a favorite pastime, but to my mind it is ridiculous for the Congress of the United States to be stooping to this pettifoggery, cheese-paring policy of reducing the salaries of scrub women, stenographers, telephone operators, and little clerks—men and women—who are trying hard to keep body and soul together. [Applause.]

Mr. McGUGIN. Will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. McGUGIN. Are there any scrub women on the Federal pay roll drawing in excess of \$1,000 a year?

Mr. BOYLAN. If they are not, I do not see how they can live.

[Here the gavel fell.]

Mr. SANDLIN. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. LANKFORD of Georgia. Will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. LANKFORD of Georgia. I find that a great many of the people from my district who are on the Federal pay roll each month send back a considerable portion of their salaries to fathers and mothers in order to help keep brothers and sisters in school, to help fathers start a little crop and keep the farm from being sold by foreclosure, and I have no doubt that is true as to people on the Federal pay roll who come from the districts of other Members of Congress.

Mr. BOYLAN. The gentleman is correct. I know of many such cases.

Mr. SIROVICH. Will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. SIROVICH. Some reference was made to the American Telephone & Telegraph Co. It might be interesting to know that in our Committee on Patents Congressman DIES, who was one of the members of the subcommittee investigating patents, ascertained that the installation of the dial system by the American Telephone & Telegraph Co. resulted in the dismissal of thousands of girls and that that installation was made for one purpose, and that was to increase the dividends of that corporation. Could it not be possible that a moratorium could be had on patents so that when any patent is given to the Commissioner of Patents it should not be granted where men and women are dislocated from their work only to increase dividends?

Mr. BOYLAN. I think the distinguished gentleman as chairman of the Committee on Patents should suggest and bring in some such legislation from his committee.

Mr. CONNERY. Will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. CONNERY. Along the lines of the statement of the gentleman from Georgia [Mr. LANKFORD], the whole question in the mind of the gentleman from New York, I am sure, is that the people of this country respect their Government and are looking to their Government for confidence and for leadership.

Mr. BOYLAN. Absolutely.

Mr. CONNERY. And if we cut these salaries, they will say that even the Congress of the United States has no faith in the future of our country.

Mr. BOYLAN. Absolutely; that was the keynote of my remarks. [Laughter and applause.]

Mr. DELANEY. Will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. DELANEY. I think I can answer the comment of the gentleman from Georgia by saying that it is a well-known fact that in Washington, in some instances, there are as many as four or five girls living in one room in apartment houses, and this is how they are able to send some money back to their homes. They are living four or five in one room, which is insanitary, and I may say, very unhealthful.

Mr. LANKFORD of Georgia. If the gentleman will permit, I have one instance from my district where a young lady is sending some money home to her father and mother. Her sister and brother-in-law lost their positions in Georgia and they came up here and have been unable to get work. She has given up her room and the three are living in one apartment and she is taking care of her sister and brother-in-law and still is sending some money home to her father and mother.

Mr. BOYLAN. I think the cases cited by the gentleman are absolutely correct, and this brings me to another fact that I would like to take up with you. On account of the great economic depression existing families are compelled to

double up. Married sons and daughters have to live with their parents or vice versa in order to save the rent of apartments. In the city of New York we have suffered a great real-estate depression on account of this practice, and yet the poor people were unable to do anything else. They had to try to get along the best they could during these hard times.

Mr. CONNERY. The gentleman from New York has been a valued Member of this House for a long time and remembers the speeches that were made when we raised the salary from \$7,500 to \$10,000.

Mr. BOYLAN. Yes.

Mr. CONNERY. Does not the gentleman from New York believe it would be one of the worst things that could happen to labor throughout the United States to have the membership of this House reduce their own salaries?

Mr. BOYLAN. Absolutely. I really believe, if you ask me my opinion, we should increase our salaries to at least \$25,000 a year instead of making any reduction. Everyone knows we can not live on the \$10,000 salary we receive, and if we are trying to live on it I wager we are living in furnished rooms and eating in 1-arm restaurants. You can not live decently on this small sum.

[Here the gavel fell.]

Mr. BOYLAN. I have yielded practically all my time for questions, and I would now like to have a few minutes for myself.

Mr. SANDLIN. I will yield the gentleman further time on condition the gentleman will not yield his time to anybody else.

Mr. BOYLAN. I do not like to be discourteous and refuse to yield.

Mr. SANDLIN. I yield the gentleman five additional minutes.

Mr. BOYLAN. The chairman of the subcommittee has been very kind.

Now, there has been some talk here about the independent offices. I am a member of that subcommittee, and I want to rise in defense of our committee. It has been said here this afternoon that all these bureaus ought to be abolished. Let us look at them and find out whether they ought to be abolished or not. Remember, every one of these bureaus was created by an act of Congress.

We have the Arlington Bridge Commission. Certainly you can not say that that bridge could be put up by itself. You needed a commission to see that it was properly erected, and it cost something like \$17,000,000 to erect it.

We have a Board of Mediation and a Board of Tax Appeals. Surely you could not say we could do without the Board of Tax Appeals.

We have the Civil Service Commission. If you are going to abolish that commission, who is going to take over its work?

Then we have the Employees' Compensation Commission, doing a splendid work. They pass on the cases of those who are injured and entitled to Federal compensation and decide upon the proper allowance to be paid them.

For the Federal Farm Board I hold no brief. I believe it ought to be abolished.

The Federal Oil Conservation Board is a very good board. You gentlemen from the oil States know that it has been of benefit or has tried to be of benefit to the oil producers.

Then there is the Interstate Commerce Commission. If you are going to throw them in the basket, who is going to do their work? Surely this is a necessary commission.

Then we have the National Advisory Committee for Aeronautics. What about them? The members of this committee, which is composed of some of the best airplane engineers in the country, give their time to this work without compensation. Surely, in our efforts to promote and develop the airplane industry and develop safety in the carriage of passengers, we can not abolish this board.

Mr. McCORMACK. Does not the gentleman believe that the elimination of overlapping and unnecessary activities would be a good thing?

Mr. BOYLAN. Absolutely I do; that would be a splendid suggestion.

Now, here is the Smithsonian Institute; certainly you are not going to abolish that, founded by a distinguished Englishman and an institution that has done so much for the scientific development of the country.

Then what about the Supreme Court Building Commission; we are building a new home for the Supreme Court, and we could not abolish that until it is completed.

Therefore, in conclusion I wish to protest with all the vehemence of my soul against any Federal pay cut. I say now that our employees are woefully underpaid. But aside from that I say that it is bad psychology to send out from Washington the news that we are in favor of reducing the style of living; that we are in favor of cheapening our people; that we are in favor of a lower living standard; that we are in favor of reducing our people to the very depths of privation and want. Here is this great rich Government of the United States—we throw back our heads and throw out our chests when we talk about the wonderful and powerful and great United States, and yet this United States is proposing to pare down the salaries of its little underpaid employees. [Applause.]

Mr. SANDLIN. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. Cox].

Mr. COX. Mr. Chairman, much has been said with respect to the proposals to reduce the salaries of Federal employees. I am not particularly interested in the discussion of that question at this time, but more concerned about saying just a word by way of explanation of the manner in which this question will be brought to you for your consideration.

Your Economy Committee appeared before the Committee on Rules and asked for a special rule making in order the proposal of the Economy Committee as an amendment to the pending appropriation bill. The gentleman from New York [Mr. LaGuardia], who has been consistently opposing every suggestion of reduction of pay of the Federal employees, invited the attention of the committee to the fact that a rule would soon come up for consideration and urged you to vote down the rule if you are opposed to the proposal of reducing pay.

I wish to invite your attention to the fact that probably this proposal does come in such a manner as to be fairly subject to criticism, not of the subject matter but of the procedure. The method provided for consideration by the rule is new and probably without precedent, but you must remember that we are dealing with a condition that is new and probably without precedent.

I am sure that the consideration that prompted the Economy Committee in asking that the consideration of the proposal be taken up in the manner as suggested was that it gives the House assurance that consideration of legislation of this type will be had in both Houses of the Congress at this session.

Now, criticism has been indulged in, directed at the Economy Committee and others who have been going along with that committee, for bringing here at the beginning a proposal to reduce the salary of the Federal employees.

Will you permit me to remind you that if Congress is to undertake legislation along this line, the House must attack the problem at some point. There must be a beginning, and what better beginning could the Congress make than to begin with the membership of this body itself, carrying along with it every other employee of the Government throughout the country. This committee has proposed by way of justification of seeking to reduce the pay of others that we take, first, a reduction of our own salaries.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. COX. In a moment. I, of course, am not elated over reducing my own salary, nor do I find pleasure in the support that I give to the proposal that social justice demands a reduction of the salary of every person in the country who is on the Federal pay roll.

Congress is not going to be able to stop reductions of salaries by arbitrarily holding up the salaries of officeholders and of other Federal employees. The argument is made here that no class of Federal employees is drawing more than represents a rightful sum necessary to sustain life. I remind you that the salaries of Federal employees at the present time are out of line with the salaries paid in every other department of life. There is a demand which comes up from every part of this country that Congress, in the interest of equalizing conditions and giving manifestation of a sympathy for the distress of the people everywhere, take some move along this line. This is not a partisan proposal. This legislation that is being advocated is not the proposal of the Democratic Party, but it is a report that comes from the Economy Committee. It is not the recommendation of the Democratic members of that committee alone, but as well of the Republican members of that committee, for they have contributed to the conclusion that the committee has drawn; and if there is to be economy legislation in this Congress in fulfillment of the expectations of the people, then Republicans and Democrats must join together in behalf of adopting legislation which is just and right.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. COX. Yes.

Mr. CONNERY. What is the idea of tacking it onto an appropriation bill?

Mr. COX. I just explained to the gentleman that the reason that moved the Economy Committee to ask that this measure be tacked on as an amendment to the appropriation bill is to insure consideration in both the legislative branches of this Congress, and it promises bringing the question to issue at an early date.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. COX. Yes.

Mr. SIROVICH. Suppose the House votes down the rule of the Rules Committee and refuses to accept it?

Mr. COX. Of course, in the exercise of its power and judgment, the House may see fit to vote down the rule. There may be some who will vote against the rule, because of the manner in which the proposal comes here; but if the House should vote down the rule, I take it that the Economy Committee, in carrying out the mandate of this House, in an honest endeavor to bring about something in the way of economy, will bring in its own bill and let it take its own chances in riding through both branches of Congress.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. COX. Yes.

Mr. O'CONNOR. Is it not a fact that this Economy Committee, given a higher privilege than any committee of this House, including the Rules Committee, segregated from its general program of economy this salary measure, and came before the Rules Committee, passing the buck to the Rules Committee, and asked for a separate vote on this salary reduction under the pretext of insuring a vote on it in the Senate. We should vote down the rule and make them be brave enough to bring it up under a separate bill.

Mr. COX. Members of this House who are in earnest in their endeavor to measure up to their responsibility in respect to a reduction of salaries of Federal employees can find no reasonable exception to the rule that will be proposed here.

There may be those who will criticize the rule, and yet in the end who will vote for it, because the rule in so far as it sets a precedent is subject to fair criticism; but in the end you will find that those voting against it are those who mean to give no support to the impulse and the endeavor that finds manifestation in this House in the interest of economy legislation—certainly economy legislation so far as the reduction of the pay of Federal employees is concerned.

Mr. McCORMACK. Is the gentleman in a position where he can advise us as to the character of the rule under which the amendment will be considered?

Mr. COX. To do that would take too much of my time. It will be in the Record, and the gentleman can see it

to-morrow. I will be pleased to furnish him with a copy of the rule. The whole proposition is, Were we in earnest when we set up the Economy Committee, and are we in earnest in our insistence that this Government must reduce its expenditures?

If we attack the problem at all, what better place could we take hold than at the place where our own salaries and the salaries of others in the Federal employ are involved? You talk about the charwoman, the rural carrier, the post-office clerk, and others not drawing sufficient pay. Do not forget that they have a position that is certain and sure, and a paymaster that meets every pay roll on the first of every month. There are millions and millions who have no job—walking the streets, hungry, and in anguish—for whom there is no certainty of the morrow. I tell you, when we come here pleading for this special-privilege class, as the Federal employees are, and as you and me, let us not forget the millions whose condition is tragic and who are entitled to have somebody come here and speak for them in this House of the Congress of their country. [Applause.]

[Here the gavel fell.]

Mr. SANDLIN. I yield five minutes to the gentleman from New York [Mr. MEAD].

Mr. MEAD. Mr. Chairman, before the World War the practice in connection with determining wage scales in the United States was vastly different from the method adopted during the war and in the immediate postwar period. The general theory in practice before the war was often referred to as the supply-and-demand theory. Labor in relation to its compensation was generally, although perhaps unconsciously, viewed as a commodity, although even prior to the war considerable progress was being made in the establishment of definite principles and accepted standards in connection with establishing wage rates.

After our entrance into the war, and by agreement between capital and labor, the general practice was adopted of maintaining the pre-war purchasing power of wages by occasional changes in rates of pay in proportion to fluctuations in the cost of living. An exception to this practice was the adoption of the so-called living-wage principle of the National War Labor Board, the board created by President Wilson, who recognized the living-wage standard as being mandatory in their findings.

When the war was over, the pre-war wage agitation was renewed with great vigor by certain interests, while the recognition of advanced wage principles and theories was further advocated by labor and others interested in the wider expansion of the industrial democracy which progressed so well during the war.

After the industrial and financial depression of 1920-21 a serious conflict resulted between these two divergent schools of thought, and the situation grew worse until 1923. At that time it was fairly well established that a policy of wage deflation and a general reduction in costs had failed to reestablish trade and industry and place the country on a prosperous basis. A new industrial policy with a new constructive program was initiated by a group of leading industrialists and public officials. This group took issue with those who adopted the false slogan of a return to normalcy and contended that the road to progress and prosperity did not lie in that direction. Normalcy in 1923 could not possibly mean the normalcy of 1913. Production had increased, labor had become more efficient, higher wages had been made possible, and the consuming capacity of our people was to parallel the productivity of the Nation.

These new proposals were enthusiastically applied, and although European countries were in an impoverished condition the United States came forth from the depression to enjoy its greatest prosperity. We believed that old wage theories and standards were therefore scrapped, along with the crude machinery and obsolete methods of a bygone age, and we further assumed that the productivity principle of wage determination was to become dominant. However, no definite plan of a permanent nature had been established, with the result that the advance in productivity outdistanced

the progress of wage standards; consumption therefore lagged behind production, and a depressed market set in to presage the coming day of reckoning.

We are back again in the midst of the troublesome controversy of 1920-21, and selfish interests are again demanding with renewed and unprecedented fervor the supply-and-demand wage standards. The hysteria of to-day has even impressed itself upon those in charge of the administration of the affairs of our Government, and instead of looking forward to prosperity they again turn for remedy to the impractical and yet all too popular back-to-normalcy policy.

I can not agree with a program that requires the Government to donate grain to its poor, to make huge loans to its banks and railroads, to build highways and buildings that men might work, and at the same time further increase the depression by reducing the purchasing power of its own employees.

Ninety-eight per cent of all the wages to Federal employees goes to buy the very essential necessities of life, and when we consider the average wage of a Federal employee, which is now but slightly over \$1,400 a year, we must then readily realize the fallacious theory governing those favoring salary reduction.

We now have approximately 20,000,000 people living on private or public charity; perhaps 50,000,000 of our people are below the comfort level, and with their economic wants illimitable they could very readily consume all the surpluses that now aggravate the existing situation. There are would-be consumers in the United States for all the wheat, wool, cotton, steel, and other goods that can not, because of existing conditions, be produced. There is no lack of purchasing power or money to buy these goods. It is not, however, in the hands of those who have the capacity and the need to consume. The remedy lies in the adoption of the same policies adopted by the United States in 1923, which holds to the theory of higher wages, which increases purchasing power, uninterrupted employment, which requires a lessening of the hours of service, prices so established and regulated to insure the proper expansion of markets, and a system of taxation which prevents the menacing accumulation of wealth. [Applause.]

Mr. SANDLIN. Mr. Chairman, I yield to the gentleman from Missouri [Mr. LOZIER] such time as he may desire to use.

Mr. LOZIER. Mr. Chairman, some reactionary newspapers, speaking the language of big business, and seemingly insensible to our national covenants, disapprove the action of the House in passing the Hare bill, which provides for early and complete Philippine independence. They advance the specious argument that the inhabitants are not yet qualified for self-government and that the withdrawal of our sovereignty will precipitate political, social, and economic chaos in the islands.

The Filipinos have been administering their domestic affairs for approximately 30 years and while their political agencies can not be compared with ours in numbers or magnitude, still in building a governmental structure in 7,000 islands, organizing and consolidating the several activities, and initiating orderly representative government, both national and municipal, the Filipinos have had no easy task, because they have had to build a new government from the ground up. Under conditions prevailing in the Philippines, it has, relatively speaking, required as much ability for the Filipinos to conduct their little government as was necessary for the American people to administer their big government.

I think no one will challenge the statement that the Filipinos have administered Philippine affairs as ably, efficiently, and honestly as our own government activities have been handled during the same period. When the volume of business and the resources of the two peoples are considered, the Filipinos have made no more mistakes and blunders in supervising the domestic affairs of the Philippines than were made in the management of our own domestic affairs.

It is affirmed by some that if self-government be granted the Philippines, an oligarchy or small governing group, gen-

erally designated as the cacique or moneyed class, for their own enrichment, will exploit the masses and inaugurate an orgy of graft, corruption, and special privilege. The same argument was advanced by the English Government and people against granting self-government to the American colonists. And it may be of interest to advert to the fact that of the 3,000,000 people in the thirteen original States probably less than 200,000 voted on the question as to whether or not our Federal Constitution should be ratified.

Of course, the government of the new Filipino Republic will not be 100 per cent perfect and efficient. Neither is ours. Manifestly they will make mistakes; so have we. Obviously they will from time to time encounter serious difficulties, but our national life has not been free from trials and tribulations.

The Filipino has read history with understanding and profit. He realizes that with nations, as with individuals, tact, discretion, poise, prudence, patience, and perseverance are essential to success. The Filipino possesses these qualities, and for a generation he has given the world a concrete and convincing demonstration of his capacity to efficiently manage his own domestic affairs. Giving him control of his international problems will not require any very considerable enlargement of his political and governmental faculties.

The Filipino race is passing through a process of rapid expansion and stabilization. The controlling currents of their being are set strongly toward the higher, nobler, and better things of life. Their master passion is for liberty of action to create their own governmental institutions and develop a culture and civilization suitable for their needs and environments. Their potential capacity for self-rule will be tremendously augmented when they cease to be a dependency and become a self-governing state. With the birth of the Filipino Republic, new capacity, new life, and new power will come to the Filipino race.

In the last 30 years the Filipinos have been in too close contact with the American people not to have imbibed their spirit and passion for self-government. They have been apt students, great imitators, and have learned our ways with remarkable ease and rapidity. They have developed an unusual aptitude for politics and demonstrated extraordinary capacity for mastery of governmental details. Those of us who look upon the Filipino as intellectual dwarfs or incompetents are the victims of misrepresentation, baseless propaganda, or blind, ill-founded credulity.

Our duty as a liberty-loving and self-respecting Nation will never be fully discharged as long as our flag flies over the Philippine Islands; as long as we supervise the enactment and administration of their laws; as long as we bar them from the path of freedom and self-determination; as long as the humblest Filipino in his mountain hovel has, in a political sense, a single link of an American chain clanking to his rags.

Great and learned men may argue against granting independence to the Philippines. Selfish and sinister interests profess great alarm over adverse economic conditions, which they assert will plague the islands if the tie between them and the United States is severed. This fear is unfounded; and, moreover, no self-respecting race will barter freedom for a few paltry dollars or a more favorable trade balance. The cause of 13,000,000 Filipinos is being misrepresented in order to defeat their aspirations for self-determination. The fulfillment of our solemn pledge to the Filipinos may be delayed but it can not be defeated. Those who plead for Philippine independence may die, "but the breath of liberty, like the words of the Holy Man, will not die with the Prophet but survive Him."

There is every reason to believe the Filipinos will not only prize but preserve their independence. No outlaw nation, however strong and unscrupulous, will ever take from them this pearl of great price. A virile race of 13,000,000 forward-looking people, wearing the ineffaceable scars of 300 years of unrelenting oppression, when transformed into a self-governing commonwealth, will appreciate their new privileges, duties, and obligations, zealously guard their free

institutions, and exercise that vigilance that in all ages and lands is the price of liberty.

For Freedom's battle once begun,
Bequeath'd from bleeding sire to son,
Though baffled oft is ever won.

When the age-long struggle of these 13,000,000 progressive people for self-government is consummated, when they drop their last shackles and throw off their last fetters, who shall place a limit to their unchained strength or curb their swiftness in their forward race for national vigor and aggrandizement?

Men will maintain the cause of liberty although their heads be on the block and the shadow of the sword ever athwart their paths. The ax of tyranny, however keen its edge, holds no terror to the patriot who fain would breathe the air of freedom and live under governmental institutions he has had a voice in creating.

Protected by the sacred aegis of justice, these brown-skinned islanders will prove apt pupils in the school of government and preserve their liberties by the enactment and efficient administration of wholesome laws.

Who doubts the patriotism of the Filipino people? Who will challenge the sincerity of their aspirations for freedom and self-determination? Who will take the responsibility of condemning this generous race to decades of alien rule? Who will assert that these brown-skinned millions should enjoy less liberty than we Americans, who have led the world in the art and science of free government?

Let us face the Philippine problem as becomes a powerful, just, generous, and self-respecting nation. Let us no longer be insensible to our national covenants and national obligations. May we never again advance the specious argument that the Filipino is incapable of self-government. Let us free ourselves from the baneful and sinister influences that seek to prolong our Philippine adventure. Let us go about this task of liberating the Philippines—not grudgingly but joyously—as we would perform a righteous task and as becomes a mighty republic in dealing with a feeble folk.

We can not reconcile our denial or delay of Filipino independence with the principles on which our Government is founded. I am unwilling to believe the people of the United States are insensible to their obligations to the Filipinos. I believe an overwhelming majority of the American people are at all times actuated by lofty ideals and principles of universal justice. To this high sense of duty and to this exalted conception of justice I now appeal. [Applause.]

Mr. SANDLIN. Mr. Chairman, there being no further requests for time I ask that the Clerk read the bill for amendment.

The Clerk read down to and including line 7, page 2.

Mr. SANDLIN. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. WARREN, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes, and had come to no resolution thereon.

PARTICIPATION BY THE UNITED STATES IN THE NINTH PAN AMERICAN SANITARY CONFERENCE (S. DOC. NO. 80)

The SPEAKER laid before the House the following message from the President, which was read, and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed.

To the Congress of the United States:

I commend to the favorable consideration of the Congress the inclosed report from the Secretary of State, to the end that legislation may be enacted authorizing an appropriation

of \$3,500 for participation by the United States Government in the Ninth Pan American Sanitary Conference to be held in Buenos Aires, Argentina, in 1932.

HERBERT HOOVER.

THE WHITE HOUSE, Washington.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to—
Mr. LARRABEE, for an indefinite period, on account of important official business.

Mr. MURPHY (at the request of Mr. CABLE), on account of sickness.

AMENDMENT OF THE LEGISLATIVE APPROPRIATION BILL

Mr. COX, from the Committee on Rules, presented the following privileged report, to be printed under the rule:

House Resolution 190

Resolved, That after the adoption of this resolution it shall be in order in the consideration of H. R. 11267, the legislative appropriation bill, for the chairman of the Economy Committee, or any member of the Economy Committee acting for him, by direction of that committee, to offer an amendment to said bill notwithstanding the provisions of clause 2, Rule XXI, or clause 7, Rule XVI, and one motion to amend that amendment shall be in order, and it shall also be in order to offer one amendment by way of substitute for the original amendment, to which one amendment may be offered, and no further amendments shall be entertained by the chair. The provisions of clause 7, Rule XVI, or clause 2, Rule XXI, shall not apply to said substitute amendment. In addition to the motion to recommit provided for in clause 4, Rule XVI, and clause 1, Rule XVII, the chairman of the Economy Committee, or any member of the Economy Committee acting for him, by direction of that committee, may make one motion to recommit said bill, and such motion shall be in order any rule of the House to the contrary notwithstanding.

Mr. SNELL. Will the gentleman yield?

Mr. COX. Yes.

Mr. SNELL. Will the gentleman state when it is expected to bring up this rule?

Mr. COX. The member of the committee handling this rule is not present. It was not offered for any other purpose than printing.

Mr. SNELL. I appreciate that, but I would like to know when it is expected to bring up the rule?

Mr. COX. I am told it will not be called up until Thursday of this week.

Mr. SNELL. As I understand the program, Calendar Wednesday business will be in order to-morrow?

The SPEAKER. That is the Chair's understanding.

Mr. SNELL. And this rule will not come up until Thursday?

The SPEAKER. If considered at all, it will not be considered until Thursday.

THE REVENUE BILL OF 1932

Mr. LARRABEE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the revenue bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. LARRABEE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include my views on the manufacturers' sales tax and other phases of the tax bill proposed by the Ways and Means Committee, as reported in a news story appearing in the Hancock Democrat, Greenfield, Ind., March 11, 1932:

WASHINGTON, March 11.—Congressman WILLIAM H. LARRABEE, of New Palestine, to-day declared himself to be opposed to the proposed tax bill now pending in the House of Representatives.

He declared he would vote against the four provisions of the bill that are intended to raise \$745,000,000 of the total of \$996,000,000 revenue expected from the enactment of the measure as now drawn, charging them to be unfair to the man of ordinary means and a serious threat to the man who has a job, as well as a gigantic obstacle to the vast army of unemployed and a blockade in the pathway of business attempting to struggle back to normalcy.

"It is my honest opinion that if this bill becomes a law it will do more harm than good," Larrabee declared.

The four items in the bill, which the Representative of the old sixth district will oppose are:

The proposed 2½ per cent tax on practically all manufactured goods, expected to raise \$595,000,000; the proposed 10 per cent tax on all theater and amusement tickets, costing 25 cents or

more, which is expected to raise \$90,000,000; the 4 cents per gallon tax on all lubricating oil, which is intended to raise \$25,000,000, and the proposed tax on telephone and telegraph messages, expected to bring in another \$35,000,000.

"Such taxation," Larrabee said, "will place an unjust and unbearable burden of taxation on the shoulders of those who are unable to pay, and will relieve those who have plenty with which to pay, and who should and must be made to bear the burden."

"The additional taxation is required to balance the Budget of the Federal Government and pay off the gigantic deficit that has accrued there during the past three presidential administrations.

"There is no question but that the Budget must be balanced and that we must pay this deficit which mismanagement of public affairs during the past three administrations has brought upon us.

"But we can not expect the little fellow, the man who owns a modest home or who lives in a small and modest home; who has an ordinary job, or who did have an ordinary job; the farmer who is already too heavily burdened with taxes; and those who have been forced into the ranks of the vast army of those whose only sustenance is charity, to bear the burden of balancing the Budget and paying off the deficit.

"That task belongs on the shoulders of the man with plenty, the ultrawealthy, who has reaped a rich harvest of revenue during the past years of prosperity, while aided by administrations working on the special-privilege theory. There is where it must rest, through heavy increases in the upper brackets of the income-tax schedules, increases in the inheritance and estates taxes.

"I would not force him to pay it all in one year, as the pending sales tax bill expects the little man to do. The deficit was not all accumulated in one year. It came over the years of the past three administrations. Accordingly, I favor a bond issue, to be retired as the increased revenue from the increased income tax, inheritance and estates tax becomes available.

"Increases in these three tax laws, as I have suggested, would go a long way toward halting and breaking up the trend toward centralization of wealth in the hands of the few, one of the strongest contributory factors to the present panic," the Congressman declared.

"The proposed tax law is a tax on poverty. It is a penalty levied against the poor man and the one of ordinary or moderate means. It places greater obstacles in the path to better times for the great army of unemployed.

"It is self-evident that to invoke the sales tax will only result in decreased consumption, decreased production, and with that comes increased unemployment.

"To invoke the proposed tax on theater and amusement tickets will result in thousands of smaller theaters throughout the country 'going dark.' When they close their doors thousands more will be added to the ranks of the unemployed. I am reliably informed that approximately 250 theaters have closed in Indiana during the past 14 or 15 months. What is to be expected by increasing their burden?

"The automobile industry, the one industry on which thousands of people in the old sixth district alone depend for their daily bread, either directly or indirectly, would perhaps suffer as much or more than any other from this proposed law.

"In addition to placing a two and one-quarter tax on the purchase price of an automobile, it would add a like tax to the price of all parts and supplies needed for the upkeep of the car, and also add a 4 cents per gallon tax on every gallon of oil used in the car.

"Taxation on long-distance telephone messages, and on telegraph messages, as proposed, is a threat against the job of every man or woman employed by these utilities. It will surely result in decreased use of these lines of communication, decreased revenues for the utilities, and when the revenue falls the roll of employees will be cut.

"Farmers in the sixth district and growers and canners of packed or canned foods are rightfully making a bitter protest against the phase of the tax bill which would place a 2 1/4 per cent tax on all canned foods, on lard, sausage, and cooked meats.

"This taxes both the products the farmer sells and the products he must buy for his own use. There may be farmers in some places who can stand this, but there are not many in my district who are able to do so.

"Perhaps the seriousness of the situation can more clearly be cited by pointing out that through the invoking of the four items of the proposed law, which I oppose, and which would raise \$745,000,000, a new tax burden of \$6 is immediately thrown upon the shoulders of every man, woman, and child in the Nation. Figured on this basis, enactment of the proposed law would heap upon the people of the old sixth district alone a new tax bill of \$1,153,402.

"Of course, if the people of one county, one district, or one State buy more heavily of the taxed products than those of another territory, it will make some change in the figures.

"Under the expected average of \$6 tax on each person, it is interesting to note that the additional new tax bills that would be heaped upon the various counties in which we are interested are not such insignificant sums:

"Fayette County, \$115,438; Franklin County, \$36,988; Hancock County, \$99,630; Henry County, \$211,423; Rush County, \$116,472; Shelby County, \$159,312; Union County, \$35,280; Wayne County, \$328,854; Madison County, \$497,328; and Marion County, \$2,535,996.

"Of course, the proponents of this bill tell us that the wealthy, with greater buying power, will absorb the big end of the tax by buying more; but the fact remains that the jobless, the poor,

those of moderate means, and all those unable to stand additional taxation are hit just as hard under this plan as those who have plenty with which to buy and those whose wealth acts as an absorber of the shock of such taxation.

"The people of the sixth district, which I now represent, and those of the eleventh district, which I hope to represent after March 4, 1933, may rest assured that I will vote against this or any other measure so unfair and unjust to the common people," the Congressman said in closing.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 132. An act to authorize the Secretary of War to erect one marker for the graves of 15 Confederate soldiers killed in action and buried in the La Fayette Cemetery at La Fayette, Ga., in lieu of separate markers as now authorized by law;

H. R. 483. An act to amend the act of March 2, 1897, authorizing the construction and maintenance of a bridge across the St. Lawrence River;

H. R. 2285. An act for the relief of Dock Leach;

H. R. 3559. An act for the relief of Elizabeth Moncravie;

H. R. 4390. An act for the relief of Melissa Isabel Fairchild;

H. R. 4515. An act extending the limit of time within which Parramore Post, No. 57, American Legion, may construct its memorial building, and correcting street location;

H. R. 8379. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Arrow Rock, Mo.;

H. R. 8394. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near St. Charles, Mo.;

H. R. 8396. An act to extend the times for commencing and completing the construction of a bridge across the Rock River at or near Prophetstown, Ill.;

H. R. 8696. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River near Alexandria Bay, N. Y.;

H. R. 9264. An act to extend the times for commencing and completing the construction of a free highway bridge across the St. Francis River at or near Madison, Ark., on State Highway No. 70;

H. R. 9266. An act to extend the times for commencing and completing the construction of a bridge across the St. Francis River at or near Lake City, Ark.;

H. R. 9452. An act to provide a preliminary examination of Flint Creek and its branches in Morgan County, Ala., with a view to the control of its floods;

H. R. 9453. An act to provide a preliminary examination of Cataco Creek and its branches in Morgan County, Ala., with a view to the control of its floods;

H. R. 10365. An act granting the consent of Congress to the counties of Fayette and Washington, Pa., either jointly or severally, to construct, maintain, and operate a toll bridge across the Monongahela River at or near Fayette City, Pa.; and

H. R. 10775. An act to extend the times for commencing and completing the construction of a bridge across the Hudson River at or near Catskill, Greene County, N. Y.

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 1769. An act to authorize pay patients to be admitted to the contagious-disease ward of the Gallinger Municipal Hospital;

S. 2078. An act to amend an act approved February 20, 1896, entitled "An act to amend an act entitled 'An act to punish false swearing before trial boards of the Metropolitan Police Force and Fire Department of the District of Columbia, and for other purposes,' approved May 11, 1892";

S. 2496. An act to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia;

S. 3222. An act to amend an act approved March 3, 1917, known as the District of Columbia appropriation act for the year ended June 30, 1918;

S. 3634. An act to amend section 600 of the act of March 3, 1901 (31 Stat. 1284; D. C. Code, title 5, sec. 122); and S. J. Res. 4. Joint resolution to provide for the naming of Montgomery Blair Portal.

ADJOURNMENT

Mr. SANDLIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 7 minutes p. m.) the House adjourned until to-morrow, Wednesday, April 13, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Wednesday, April 13, 1932, as reported to the floor leader by clerks of the several committees:

WAYS AND MEANS

(10 a. m.)

Continue hearings on bills for cash payment of adjusted-compensation certificates.

MILITARY AFFAIRS

(10 a. m.)

House caucus room

H. J. Res. 355, to repeal certain, and to amend other, provisions of the law granting retirement privileges to officers in the Army and Navy, etc.

IRRIGATION AND RECLAMATION

(10 a. m.)

H. R. 10748, providing for the liquidation of bonded and other outstanding indebtedness of the farmers' irrigation district, Nebraska.

MERCHANT MARINE, RADIO, AND FISHERIES

(10 a. m.)

To continue general inquiry into American merchant marine, United States Shipping Board, and Merchant Fleet Corporation affairs.

RIVERS AND HARBORS

(11 a. m.)

Hearing on waterway project in Florida.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. EVANS of Montana: Committee on the Public Lands. H. R. 9591. A bill to extend the period of time during which final proof may be offered by homestead entrymen; without amendment (Rept. No. 1040). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. H. R. 10590. A bill to prohibit the misuse of official insignia; with amendment (Rept. No. 1044). Referred to the House Calendar.

Mr. SUMNERS of Texas: Committee on the Judiciary. S. 2682. An act to amend section 5 of the Criminal Code; without amendment (Rept. No. 1045). Referred to the House Calendar.

Mr. COX: Committee on Rules. H. Res. 190. A resolution making in order certain amendments to H. R. 11267, the legislative appropriation bill; without amendment (Rept. No. 1046). Referred to the House Calendar.

Mr. PARKER of Georgia: Committee on Military Affairs. S. 1690. An act to make provision for the care and treatment of members of the National Guard, Organized Reserves, Reserve Officers' Training Corps, and citizens' military training camps who are injured or contract disease while engaged in military training, and for other purposes; without amendment (Rept. No. 1047). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. UNDERWOOD: Committee on Invalid Pensions. H. R. 11290. A bill granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war; without amendment (Rept. No. 1038). Referred to the Committee of the Whole House.

Mr. HILL of Alabama: Committee on Military Affairs. H. R. 3611. A bill for the relief of George Caldwell; without amendment (Rept. No. 1039). Referred to the Committee of the Whole House.

Mr. LOZIER: Committee on Claims. H. R. 5270. A bill for the relief of Estelle M. Gardiner; with amendment (Rept. No. 1041). Referred to the Committee of the Whole House.

Mr. MICHENER: Committee on the Judiciary. H. R. 10625. A bill to permit the United States to be made a party defendant in certain cases; without amendment (Rept. No. 1042). Referred to the Committee of the Whole House.

Mr. BUTLER: Committee on Claims. H. R. 7128. A bill for the relief of Della O'Brien; with amendment (Rept. No. 1043). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 9800) granting an increase of pension to Sarah J. Lake; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 3605) for the relief of Alvah Holmes Mitchell; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 10351) approving and confirming contract for apportionment of waters of Ahtanum Creek, Wash., between Yakima Indian Reservation and lands north thereof, dated May 9, 1908; Committee on Irrigation and Reclamation discharged, and referred to the Committee on Indian Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SWEENEY: A bill (H. R. 11291) to amend the act entitled "An act to amend the act of March 3, 1913, entitled 'An act to regulate the officering and manning of vessels subject to the inspection laws of the United States,'" approved May 11, 1918; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. CHRISTOPHERSON: A bill (H. R. 11292) to provide for the reorganization and consolidation of the various departments and establishments in the executive branch of the Government, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. NELSON of Maine: A bill (H. R. 11293) to validate certain records and naturalization certificates of certain courts in the State of Maine; to the Committee on the Judiciary.

By Mr. JAMES: A bill (H. R. 11294) to provide for the conveyance of the Portage Entry Lighthouse Reservation, Mich., to the State of Michigan for public-park purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FREE: A bill (H. R. 11295) authorizing pursers or licensed deck officers of vessels to perform the duties of the masters of such vessels in relation to entrance and clearance of same; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. BUCKBEE: A bill (H. R. 11296) to repeal section 7 of the postal act approved May 29, 1928; to the Committee on the Post Office and Post Roads.

By Mr. HOWARD: A bill (H. R. 11297) for the relief of the Winnebago Indians residing in school district No. 17,

Thurston County, State of Nebraska; to the Committee on Indian Affairs.

By Mr. McLEOD: A bill (H. R. 11298) to designate the city of Detroit, Mich., as a port of entry for antiques; to the Committee on Ways and Means.

By Mr. WILSON: A bill (H. R. 11299) to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes," approved May 15, 1928; to the Committee on Flood Control.

By Mr. LEA: A bill (H. R. 11300) to provide for the payment to veterans of the present value of their adjusted-service certificates; to the Committee on Ways and Means.

By Mrs. OWEN: Resolution (H. Res. 191) favoring an expression on Mother's Day of our love and reverence for motherhood; to the Committee on the Judiciary.

By Mr. MOORE of Kentucky: Resolution (H. Res. 192) for the consideration of H. R. 10602, to further restrict immigration into the United States; to the Committee on Rules.

By Mr. FISH: Resolution (H. Res. 193) providing for the consideration of House Joint Resolution 282; to the Committee on Rules.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the Legislature of the State of Maine, memorializing Congress to impose a tax upon all imported products equal to the difference between par of exchange and current quotations of exchange of those countries which, by going off the gold basis, have depreciated their currencies; to the Committee on Ways and Means.

Memorial of the Michigan State Senate, memorializing Congress to use the emergency powers of tariff adjustment in favor of American-grown cane and beet sugar; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. UNDERWOOD: A bill (H. R. 11290) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war; to the Committee of the Whole House on the state of the Union.

By Mr. ARNOLD: A bill (H. R. 11301) granting an increase of pension to Frances F. Shick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11302) granting an increase of pension to Bethel Ferren; to the Committee on Pensions.

By Mr. BARTON: A bill (H. R. 11303) granting a pension to William T. Martin; to the Committee on Invalid Pensions.

By Mr. CARDEN: A bill (H. R. 11304) granting a pension to Rosa Miller; to the Committee on Invalid Pensions.

By Mr. COCHRAN of Pennsylvania: A bill (H. R. 11305) granting an increase of pension to Mary L. Eden; to the Committee on Invalid Pensions.

By Mr. CROWE: A bill (H. R. 11306) granting a pension to Emma A. Schmidt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11307) granting a pension to Earl R. La Master; to the Committee on Pensions.

By Mr. DOMINICK: A bill (H. R. 11308) for the relief of the Palmetto Cotton Co.; to the Committee on Claims.

By Mr. FISH: A bill (H. R. 11309) for the relief of Albert Lawson Terwilliger; to the Committee on Military Affairs.

Also, a bill (H. R. 11310) for the relief of Charles A. Lewis; to the Committee on Claims.

Also, a bill (H. R. 11311) granting a pension to Anna E. Cahill; to the Committee on Pensions.

By Mr. FREE: A bill (H. R. 11312) granting a pension to Clara E. Jamison; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11313) granting an increase of pension to Carmen B. Evans; to the Committee on Invalid Pensions.

By Mr. GARBER: A bill (H. R. 11314) granting a pension to Melissa Roby; to the Committee on Invalid Pensions.

By Mr. GILLEN: A bill (H. R. 11315) for the relief of Fred Julian Bryant; to the Committee on Military Affairs.

By Mr. HOGG of Indiana: A bill (H. R. 11316) granting an increase of pension to Mary L. Sparrow; to the Committee on Invalid Pensions.

By Mr. HOGG of West Virginia: A bill (H. R. 11317) granting an increase of pension to Emeline Petty; to the Committee on Invalid Pensions.

By Mr. JACOBSEN: A bill (H. R. 11318) for the relief of John M. Norton; to the Committee on Military Affairs.

By Mr. JOHNSON of Missouri: A bill (H. R. 11319) granting a pension to Virginia J. Potter; to the Committee on Invalid Pensions.

By Mr. KELLY of Pennsylvania: A bill (H. R. 11320) to correct the naval record of John R. Porter; to the Committee on Naval Affairs.

Also, a bill (H. R. 11321) to correct the naval record of Willard A. Freeman; to the Committee on Naval Affairs.

By Mr. LONERGAN: A bill (H. R. 11322) granting a pension to James H. Devlin; to the Committee on War Claims.

By Mr. MAGRADY: A bill (H. R. 11323) granting an increase of pension to Jennie F. Rohrbach; to the Committee on Invalid Pensions.

By Mr. MAJOR: A bill (H. R. 11324) granting an increase of pension to Mary F. Jarrard; to the Committee on Invalid Pensions.

By Mr. MURPHY: A bill (H. R. 11325) granting an increase of pension to Martha E. Holmes; to the Committee on Invalid Pensions.

By Mr. NELSON of Wisconsin: A bill (H. R. 11326) granting a pension to Hallie Weeks; to the Committee on Invalid Pensions.

By Mr. PARKER of New York: A bill (H. R. 11327) granting an increase of pension to Julia A. Johnson; to the Committee on Invalid Pensions.

By Mr. PEAVEY: A bill (H. R. 11328) granting an increase of pension to Sarah A. Dearborn; to the Committee on Invalid Pensions.

By Mr. SMITH of West Virginia: A bill (H. R. 11329) for the relief of Louis C. Runyon; to the Committee on Military Affairs.

By Mr. STEWART: A bill (H. R. 11330) granting an increase of pension to Teresa Brown; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5874. By Mr. BOHN: Petition of Escanaba (Mich.) Chamber of Commerce, favoring a tariff on copper; to the Committee on Ways and Means.

5875. By Mr. CONNERY: Petition of veterans and citizens of Orrville, Ohio, favoring the immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

5876. Also, petition of veterans and citizens of Akron, Ohio, favoring the immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

5877. Also, petition of citizens of Lawrence, Mass., favoring the Keller bill, H. R. 9891, granting pensions to railway employees; to the Committee on Interstate and Foreign Commerce.

5878. By Mr. CULLEN: Petition of Colorado Local, No. 1, National No. 14, of the Railroad Employees National Pension Association, of Denver, Colo., with a membership of 2,600 representative railroad employees, urging through their duly elected officers each and every Senator and Congressman of the Seventy-second Congress to give their full support to House bill 9891, as it provides an equitable pension and will retire and will relieve the unemployment situation which is paramount at this time; to the Committee on Labor.

5879. By Mr. DAVENPORT: Petition of members of the Kirkland Presbyterian Church, Kirkland, N. Y., supporting the principle of national prohibition and the eighteenth amendment, and asking that any change be made only fol-

lowing the regular procedure provided for in the Constitution; to the Committee on the Judiciary.

5880. By Mr. GARBER: Petition of citizens of Woodward, Okla., urging payment of veterans adjusted-compensation certificates; to the Committee on Ways and Means.

5881. Also, petition of the Meyer Sheil Post, No. 92, of Alva, Okla., urging the payment in full of the adjusted-compensation certificates; to the Committee on Ways and Means.

5882. Also, petition of the Oklahoma wheat growers associations of the eighth district of Oklahoma, urging legislation that will strengthen and make more effective the agricultural marketing act; to the Committee on Agriculture.

5883. Also, petition of citizens of the eighth district of Oklahoma and others, urging the payment of adjusted-service compensation to the veterans of the World War; to the Committee on Ways and Means.

5884. Also, petition of citizens of the United States, urging passage of House bill 9891; to the Committee on Interstate and Foreign Commerce.

5885. By Mr. HOGG of West Virginia: Petition of Huntington Chapter, No. 2, Disabled American Veterans of the World War, favoring the full payment of the balance due on the adjusted-service certificates; to the Committee on Ways and Means.

5886. Also, petition of various citizens of Wirt County, W. Va., requesting the payment in full of the adjusted-compensation certificates; to the Committee on Ways and Means.

5887. Also, petition of Huntington Central Labor Union, favoring the passage of the Davis-Kelly bill; to the Committee on Interstate and Foreign Commerce.

5888. By Mr. JAMES: Petition of Knights of Columbus of Torch Lake Council, No. 2713, of Lake Linden, Mich., through Oliver Barile, A. J. Beaudry, and H. J. Trainor, favoring a tariff on copper; to the Committee on Ways and Means.

5889. By Mr. JOHNSON of Washington: Telegram of the Chehalis (Wash.) Chamber of Commerce, urging enactment of pending legislation providing for Federal regulations of motor busses and trucks engaged in interstate commerce; to the Committee on Interstate and Foreign Commerce.

5890. By Mr. NOLAN: Petition adopted by the County Board of Hennepin County, requesting immediate payment in full of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

5891. By Mr. KINZER: Resolution of the Kennett Square Rod and Gun Club, of Kennett Square, Pa., opposing proposed 1-cent tax on shotgun shells; to the Committee on Ways and Means.

5892. Also, telegram of Lancaster County Sportsman Association, Lancaster, Pa., opposing proposed 1-cent tax on shotgun shells; to the Committee on Ways and Means.

5893. Also, resolution of Mastersonville Rod and Gun Club, of Mastersonville, Pa., opposing proposed 1-cent tax on shotgun shells; to the Committee on Ways and Means.

5894. By Mr. MILLARD: Petitions signed by Fred J. Elder, Frank Pierson, and 71 citizens of Tarrytown, N. Y., protesting against the proposal to pay the full value of the adjusted-service certificates to veterans of the World War; to the Committee on Ways and Means.

5895. By Mr. MURPHY: Petition of E. M. Long, adjutant Columbiana Council, Salem, Ohio, and 69 other members of that council, asking for the passage of the widows and orphans pension bill; to the Committee on Pensions.

5896. By Mr. NIEDRINGHAUS: Petition of 10 business and professional men of St. Louis, Mo., opposing any salary reduction in the salaries of the Federal employees; to the Committee on Expenditures in the Executive Departments.

5897. By Mr. PARKER of Georgia: Petition of H. A. Bacon, county school superintendent of Liberty County, Hinesville, Ga., and 32 other World War veterans of Liberty and Long Counties, urging the payment of the balance due veterans of the World War on their adjusted-service certificates; to the Committee on Ways and Means.

5898. Also, petition of J. Ed Fain, post commander, and John W. Sheppard, post adjutant, Evans County Post, No. 60, American Legion, Claxton, Ga., urging payment of the balance due veterans of the World War on their adjusted-service certificates; to the Committee on Ways and Means.

5899. Also, petition of Grady A. Miller and Thomas L. Waters, of Pembroke, Bryan County, Ga., urging the payment of the balance due veterans of the World War on their adjusted-service certificates; to the Committee on Ways and Means.

5900. Also, petition of Mrs. R. J. Exley, commander Women's Auxiliary of Disabled Veterans of World War, Savannah, Ga., urging the payment of the balance due veterans of the World War on their adjusted-service certificates; to the Committee on Ways and Means.

5901. Also, petition of Dewey Ulmer, commander Disabled Veterans of the World War, Savannah, Ga., urging the payment of the balance due veterans of the World War on their adjusted-service certificates; to the Committee on Ways and Means.

5902. Also, petition of R. H. Thompson, commander Georgia Alexander Mincey Post, No. 116, American Legion, Sylvania, Ga., urging the payment of the balance due veterans of the World War on their adjusted-service certificates; to the Committee on Ways and Means.

5903. Also, petition of Alex R. Fawcett, district commander, American Legion, first district of Georgia, Savannah, Ga., urging the payment of the balance due veterans of the World War on their adjusted-service certificates; to the Committee on Ways and Means.

5904. By Mr. PERSON: Petition of 40 members of the American Legion, sixth congressional district of Michigan, favoring the immediate cash payment of the balance of the adjusted-compensation certificates; to the Committee on Ways and Means.

5905. By Mr. RAINEY: Petition of Carl M. Mayer, and nine other jewelers of Austin, Tex., protesting against the 10 per cent tax on jewelry; to the Committee on Ways and Means.

5906. Also, petition of J. M. Elmore, of Kane, and 19 other citizens of central Illinois, protesting against the cent-a-shell tax; to the Committee on Ways and Means.

5907. Also, petition of George F. Batty and nine postal workers of Greenfield, Ill., protesting against salary cuts; to the Committee on Appropriations.

5908. By Mr. ROBINSON: Petition signed by M. L. Dunlap, of Ackley, Iowa, and 10 other employees of the Illinois Central Railroad living at Ackley, Iowa, urging the passage of House bill 9891, the railway employees national pension bill; to the Committee on Interstate and Foreign Commerce.

5909. Also, petition signed by B. M. Strayer, post commander, Eugene Clark Post, No. 1623, Veterans of Foreign Wars, and 30 other veterans of the World War living in Waterloo, Iowa, urging the passage of House bill 1; to the Committee on Ways and Means.

5910. By Mr. RUDD: Petition of the Richmond Hill Republican Club, Richmond Hill, Long Island, N. Y., opposing the payment of the soldiers' bonus at this time; to the Committee on Ways and Means.

5911. Also, petition of Railroad Employees' National Pension Association, Denver, Colo., favoring the passage of House bill 9891; to the Committee on Interstate and Foreign Commerce.

5912. Also, petition of Democratic Veterans Organization of Kings County, N. Y., favoring the passage of the Patman bill, H. R. 1, for payment of adjusted-service certificates; to the Committee on Ways and Means.

5913. By Mr. SANDERS of New York: Petition of Francis Dalton Post, No. 282, American Legion, of Lima, N. Y., urging immediate cash payment of the adjusted-compensation certificates; to the Committee on Ways and Means.

5914. By Mr. SINCLAIR: Telegram from William Woolbridge, on behalf of Veterans of Foreign Wars Post, No. 753, Minot, N. Dak., favoring immediate cash payment of ad-

justed-compensation certificates; to the Committee on Ways and Means.

5915. Also, resolution of the George Taylor Post, American Legion, Mohall, N. Dak., favoring immediate payment of the balance of the bonus; to the Committee on Ways and Means.

5916. Also, petition of C. W. Deardurff and 41 others, of Raub, N. Dak., favoring the bonus bill; to the Committee on Ways and Means.

5917. Also, resolution of the Board of County Commissioners of Grant County, N. Dak., favoring payment in full of adjusted-compensation certificates to veterans; to the Committee on Ways and Means.

5918. Also, resolution of the American Legion Post, No. 45, Carson, N. Dak., favoring payment of balance due on soldiers' bonus certificates; to the Committee on Ways and Means.

5919. By Mr. SMITH of Idaho: Petition signed by 35 residents of Buhl, Idaho, protesting against the enactment of compulsory Sunday observance legislation; to the Committee on the District of Columbia.

5920. Also, resolution adopted by the Charity Grange, No. 294, of Grangeville, Idaho, urging the enactment of legislation for the disposal of the wheat now held by the farm marketing board by sale on the European market; to the Committee on Agriculture.

5921. By Mr. SMITH of West Virginia: Resolution of New River and Winding Gulf Mining Institute, protesting against the passage of the Davis-Kelly coal bills; to the Committee on Interstate and Foreign Commerce.

5922. By Mr. STEWART: Petition of Board of Commerce and Navigation, State of New Jersey; Delaware Waterfront Commission; South Jersey Port Commission; city of Trenton, N. J.; and Wilmington Harbor Commission, opposing the inclusion of the rivers and harbors work now carried on by the Corps of Engineers in House bill 6665 or House bill 6670; to the Committee on Expenditures in the Executive Departments.

5923. By Mr. THOMASON: Petition of the United Citizens' Civic League of El Paso, Tex., urging a duty on copper; to the Committee on Ways and Means.

5924. By the SPEAKER: Petition of Hidalgo County Central Committee of the American Legion, Hidalgo County, Tex., requesting that the full text of statement made by Henry L. Stevens, national commander of the American Legion, to President Hoover relative to the stand of the Legion on the full payment of the adjusted-service certificates be made public; to the Committee on Ways and Means.

SENATE

WEDNESDAY, APRIL 13, 1932

(Legislative day of Monday, April 11, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 9575) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 1769. An act to authorize pay patients to be admitted to the contagious-disease ward of the Gallinger Municipal Hospital;

S. 2078. An act to amend an act approved February 20, 1896, entitled "An act to amend an act entitled 'An act to

punish false swearing before trial boards of the Metropolitan Police Force and Fire Department of the District of Columbia, and for other purposes,' approved May 11, 1892";

S. 2496. An act to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia;

S. 3222. An act to amend an act approved March 3, 1917, known as the District of Columbia appropriation act for the year ending June 30, 1918;

S. 3634. An act to amend section 600 of the act of March 3, 1901 (31 Stat. 1284; D. C. Code, title 5, sec. 122);

H. R. 132. An act to authorize the Secretary of War to erect one marker for the graves of 15 Confederate soldiers killed in action and buried in the La Fayette Cemetery at La Fayette, Ga., in lieu of separate markers as now authorized by law;

H. R. 483. An act to amend the act of March 2, 1897, authorizing the construction and maintenance of a bridge across the St. Lawrence River;

H. R. 2285. An act for the relief of Dock Leach;

H. R. 3559. An act for the relief of Elizabeth Moncravie;

H. R. 4390. An act for the relief of Melissa Isabel Fairchild;

H. R. 4515. An act extending the limit of time within which Parramore Post, No. 57, American Legion, may construct its memorial building, and correcting street location;

H. R. 8379. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Arrow Rock, Mo.;

H. R. 8394. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near St. Charles, Mo.;

H. R. 8396. An act to extend the times for commencing and completing the construction of a bridge across the Rock River at or near Prophetstown, Ill.;

H. R. 8506. An act to extend the times for commencing and completing the construction of a bridge across the Mahoning River at New Castle, Lawrence County, Pa.;

H. R. 8696. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River near Alexandria Bay, N. Y.;

H. R. 9264. An act to extend the times for commencing and completing the construction of a free highway bridge across the St. Francis River at or near Madison, Ark., on State Highway No. 70;

H. R. 9266. An act to extend the times for commencing and completing the construction of a bridge across the St. Francis River at or near Lake City, Ark.;

H. R. 9451. An act to provide a preliminary examination of the Flint River, Ala. and Tenn., with a view to the control of its floods;

H. R. 9452. An act to provide a preliminary examination of Flint Creek and its branches in Morgan County, Ala., with a view to the control of its floods;

H. R. 9453. An act to provide a preliminary examination of Cataco Creek and its branches in Morgan County, Ala., with a view to the control of its floods;

H. R. 10365. An act granting the consent of Congress to the counties of Fayette and Washington, Pa., either jointly or severally, to construct, maintain, and operate a toll bridge across the Monongahela River at or near Fayette City, Pa.;

H. R. 10775. An act to extend the times for commencing and completing the construction of a bridge across the Hudson River at or near Catskill, Greene County, N. Y.; and

S. J. Res. 4. Joint resolution to provide for the naming of Montgomery Blair Portal.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Bankhead	Black	Bratton
Austin	Barbour	Blaine	Brookhart
Bailey	Bingham	Borah	Bulkley